



JAMPRO
TRADE & INVESTMENT JAMAICA

Port of Kingston Logistics Park

**Opportunities for investors to participate in the
Port of Kingston Logistics Park project**



APRIL 2015

1. Disclaimer

This Summary Information Package (“Package”) has been prepared by the Jamaica Promotions Corporations (“JAMPRO”), and compiled by PricewaterhouseCoopers Tax and Advisory Services Limited (PwC), in connection with the contemplated Port of Kingston Logistics Park, in Jamaica.

By accepting this Package, each recipient agrees that (i) neither it nor its agents, representatives, directors or employees will copy, reproduce or distribute to others this Package, in whole or in part, at any time without prior consent of JAMPRO; and (ii) it will use the Package for the sole purpose of evaluating the investments opportunity relating to the contemplated Port of Kingston Logistics Park in Jamaica.

While the information contained herein and any supporting information provided is believed to be accurate, JAMPRO has not conducted any investigation with respect to such information, and JAMPRO expressly disclaims any and all liability for representations, expressed or implied, contained in, or for omissions from, this document and or any other written or oral communication transmitted to any interested party in the course of its evaluation of the opportunity. Only those particular representations and warranties which may be made in a definitive written investment agreement, when and if one is executed, and subject to such limitations and restrictions as may be specified in such investment agreement, shall have any legal effect.

Except where otherwise indicated, the information in this Package is current, as of the date stated herein. In furnishing this Package, JAMPRO does not undertake any obligation to update any of the information contained in this Package.

This Package does not purport to contain all information that may be required to evaluate the transaction contemplated and prospective investors should conduct their own investigation and analysis of the business and data described in this Package. This Package shall remain the property of JAMPRO. JAMPRO reserves the right to require the return of this Package (together with any copies or extracts thereof) at any time.

Table of Contents

1. Disclaimer	0
2. Introduction and Background	2
3. Vision and Objectives	4
4. Role of JAMPRO	6
5. Investment Opportunity	7
<hr/>	
5.1. Overview of operators in the Port of Kingston	7
5.2. Value proposition for the Port of Kingston Logistics Park	8
5.2.1. Cargo transshipment through the Port of Kingston	10
5.2.2. Potential operating models for logistics companies	10
5.2.3. Advantages of the location for logistics activities	11
5.2.4. Target investors	12
5.2.5. Indicative deal structure	13
<hr/>	
5.3. Enabling environment for the logistics industry	13
5.3.1. Investment and Trade Agreements	14

2. Introduction and Background

Logistics refers to the process of managing the flow of goods, services, people, information, energy and other resources through the entire value chain from source to end use. A major logistics hub is used to coordinate and connect international and domestic transport and communication routes and modes on a large scale with a wide range of support services.

In 2011, the overall global logistics market represented a total volume of approximately EUR 981 billion. The overall global logistics market is expected to grow at an average annual growth rate of 2.4-3.0% for the next 5 years, driven by regional and global trade volumes and a growing share of outsourced logistics¹. However, markets such as Jamaica are expected to achieve above-average growth rates for the industry. To capitalize on this opportunity, Jamaica has been making several strides in upgrading its air, sea, rail, road and telecommunication infrastructure.

The Port of Kingston is one of the leading transshipment hubs in the region, ranking at number 3 and number 7 within South America and the Caribbean. KCT is centrally located in the Caribbean transshipment triangle, 32 miles off the main North/South sea lanes between North and South America, South America and Europe and East/ West sea lanes linking Asia, America, Europe and the Middle East.



KCT is viewed as a major global transshipment hub in the Caribbean. Its operations are dominated by transshipment, representing over 90% of its business.

In support of Jamaica's efforts to be a logistics-centred economy, on 7 April 2015, the Port Authority of Jamaica (PAJ) signed a deal with Terminal Link Consortium for a long-term concession agreement to finance, expand, operate and maintain the KCT. Under this agreement, an expenditure of over US\$600 million is contracted to modernise and to prepare for the anticipated increased maritime traffic. This is being undertaken to take full advantage of the opportunities afforded by the expansion of the Panama Canal and other emerging industry trends.

There are approximately 80 hectares of land conveniently located in close proximity to Kingston Container Terminal (KCT) that are eminently suitable for providing a wide range of logistics activities for both the local and offshore markets. In total, this includes existing free zone sites, adjoining underutilised aerodrome, and unused terminal expansion lands. Together, these could be combined to develop and support on or near port logistics activities.

This is in keeping with modern ports, in particular transshipment ports having evolved to include, logistics facilities and industrial parks on-or near-port to enable a wide range of value-added services to be performed.

Many examples of Port Centric Logistics Developments exist today and are seen as a way to enhance the capabilities and attractiveness of ports across the globe. These include:

¹ Global Logistics Markets - http://www.rolandberger.at/media/pdf/Roland_Berger_Studie_Global_Logistics_Markets_fin_20140820.pdf

- Panama Canal Authority
- London Gateway
- Oakland Industrial Park
- Port of Tanjung Pelepas, Malaysia
- Manzanillo International Terminal, Panama

The commonality among these ports is the use of lands on or in close proximity to transshipment ports.

3. Vision and Objectives

Jamaica has made significant strides in logistics, hurdling in the World Bank's Logistics Performance Index, from position 124 to 70, out of 160 countries, in 2014 over 2012

In our early history, Port Royal Jamaica was once considered as the centre of international trade and commerce. Centuries later, the country is ideally positioned to once again reap the benefits of not only our ideal location (being midway between North and South America and in close proximity to the Panama Canal), but also investments in world class seaports, airports, rail, telecoms infrastructure (including data connectivity), inter-connected highways, natural resources and highly qualified and adaptable human resources.



In furtherance of our medium term growth agenda, the Government has crafted a holistic programme that, in addition to fiscal consolidation, include business environment reforms, strategic major investment projects, human capital development and protection, national and community security and strengthening of Jamaica's environmental resilience.

In his 2014/2015 Sectoral Debate, the Honourable G. Anthony Hylton outlined plans to create a new paradigm for economic growth in Jamaica. This involves ***making Jamaica a logistics-centred economy that delivers a more efficient business environment.***

The overall vision for the new industry is for businesses located in Jamaica to capitalize on the widening of the Panama Canal. This undertaking is to accommodate wider ships and is expected to significantly increase the number of trading vessels passing through Jamaican waters. The country hopes to capitalise on this by expanding its port facility and affiliated infrastructure, spread over four south coast parishes: namely Kingston, St Catherine, Clarendon and St Thomas. With the optimisation and expansion of the Kingston Container Terminal, its capacity is expected to increase to between 4.5 million and 7.5 million TEUs.

Once appropriately positioned, local and international investors stand to generate significant earnings from the expansion of the Panama Canal. Investors that capitalise on the opportunities presented in the supply and value chains for the production and distribution of goods around the world are poised to make significant gains. The vision for the growth of the logistics industry also extends to the Micro, Small and Medium-sized Enterprises (MSMEs). As such, in support of the country's long term goal, it is envisioned that the MSME sector will be fully integrated, given their job creation potential in Jamaica.

Ultimately, the Government is also seeking to attract global logistics firms as well as other global businesses and their suppliers in industrial infrastructure complexes, to take advantage of our strategic special economic zones. Given that the parts (industrial, automotive, computer etc.), are created and assembled across a value chain that usually spans

more than one country, Jamaica is seeking to become a part of the eco-system of the original manufacturing companies. This in turn will create more jobs and further spur economic growth. The goods produced in these special economic zones will then be transported to global markets via Jamaica’s upgraded land, sea and air ports.

The Transport Sector Plan for Vision 2013 Jamaica articulates the strategic objective for the country to be a major transshipment hub, as follows:

Goals	Outcomes
1 Sustainable road transport system	<ul style="list-style-type: none"> <input type="checkbox"/> Properly constructed and maintained road network <input type="checkbox"/> A public transportation system that facilitates the movement of people, goods and services throughout Jamaica in a safe and efficient manner <input type="checkbox"/> Improved management of traffic on the road network <input type="checkbox"/> Increased provision and efficiency of road transport services
2 Adequate and high quality domestic and international air transport infrastructure	<ul style="list-style-type: none"> <input type="checkbox"/> Expanded domestic air transport infrastructure and service <input type="checkbox"/> Expanded international airport infrastructure <input type="checkbox"/> Expanded international air service
3 Globally competitive and diversified maritime transport sub-sector	<ul style="list-style-type: none"> <input type="checkbox"/> Short sea shipping established as a viable option for coastal transport of cargo and passengers <input type="checkbox"/> Diversification of maritime cargo <input type="checkbox"/> Development of key maritime infrastructure <input type="checkbox"/> Development of human and technical resources for maritime transport <input type="checkbox"/> Creation of Maritime Centre <input type="checkbox"/> Growth of shipping fleet
4 Viable railway system	<ul style="list-style-type: none"> <input type="checkbox"/> Railway system that supports a major logistics hub and movement of passengers and cargo on critical corridors
5 Major integrated multimodal logistics hub	<ul style="list-style-type: none"> <input type="checkbox"/> Development of efficient and effective institutional framework and supporting services for logistics hub <input type="checkbox"/> Development of efficient and adequate infrastructure for logistics hub
6 Comprehensive framework for transport sector	<ul style="list-style-type: none"> <input type="checkbox"/> Development of efficient and effective policy, legislative, regulatory and institutional framework for transport sector
6 Environmentally sustainable transport sector	<ul style="list-style-type: none"> <input type="checkbox"/> Environmentally sustainable transport infrastructure and services <input type="checkbox"/> High levels of energy security, conservation and efficiency in the transport sector

4. Role of JAMPRO

JAMPRO is the national trade and investments promotions agency in Jamaica. One of our key functions is the packaging and promotion of investment opportunities and the conversion of investment prospects into viable projects. JAMPRO was first established in 1988 to stimulate, facilitate and promote the development of trade and industry, export and investment activities in all sectors of the island's economy. The agency drives this process through focusing on a number of targeted sectors which include tourism.

JAMPRO works closely with local and global entrepreneurs seeking to tap into the many investment and trade opportunities in Jamaica. In facilitating both local and foreign direct investment, JAMPRO guides investors through the necessary processes and offers support in partnership with key government agencies and ministries, even after their investments are operational.

JAMPRO provides an array of services to the export community – including export registration, and provides export development advice and export promotion (exposure for goods and services entering the export markets). JAMPRO is also an integral partner in Jamaica's implementation of the World Trade Organizations (WTO's) Trade Facilitation Agreement that will ensure the country reaps the benefits of standardized trade/border practices that will result in reduced transaction costs.

5. Investment Opportunity

5.1. Overview of operators in the Port of Kingston

The designated location for the contemplated logistics park is in close proximity to the Kingston Container Terminal (KCT) and the smaller Kingston Wharves Limited KWL. These companies are located in the Port of Kingston, which is one of the largest transshipment hubs in the region, with a throughput of 1.7 million in 2013. Over 90% of this is handled by KCT which has a capacity of 2.8 million TEUs.



On 7 April 2015, the Port Authority of Jamaica (PAJ) signed a deal with Terminal Link Consortium for a long-term concession agreement to finance, expand, operate and maintain the KCT. Under this agreement, an expenditure of over US\$600 million is contracted to modernise and to prepare for the anticipated increased maritime traffic. Optimisation and expansion of KCT will result in overall capacity of 4.5 – 7.0 million TEUs, depending on operational equipment deployed.

Key highlights about KCT include:

- Its central geographic position which allows least deviation en route to key consumer markets in South America, the United States of America and Europe.
- Provision of a draught of up to 15.5 metres within the next 3-5 years (or sooner based on market demand) to accommodate the largest ships (12,000+TEUs) traversing the Panama Canal.
- A stable customer base which provides a baseline revenue level to the Operator.
- Used by some of the major global lines. It is a regional hub for ZIM and is one of the CMA CGM's primary regional hubs.
- Skilled, stable labour force supported by state of the art equipment and technology.
- Significant growth potential arising from national strategic thrust to develop Jamaica as a major global logistics hub.

Widening of the Panama Canal with the right operating strategy will have a direct positive impact on demand capacity at KCT. Further, the maintenance of KCT's status as a hub port will serve to reduce the costs of imports and exports due to comprehensive and low cost shipping links and also provide significant revenue to the economy from port operations.

Of the six major ports in the Caribbean, Kingston benefits from minimal deviation from main trade lane and will be ready to attract significant volumes that will arise following the completion of Panama Canal expansion.

The Port Authority has been actively developing the capacity at KCT. To date there have been 5 major developments, based on demand and aligned to increases in line with cargo ship sizes and trade volumes traversing the region. The terminal capacity has increased from its original capacity of 400,000TEUs in 1973, to 2.8 million TEUs in 2008.

Kingston Wharves Limited is a privately held company that is listed on the Jamaica Stock Exchange. It is one of the first major local investors to roll out its logistics investment plans, as it intends to invest more than J\$7 billion over the next five years, with activities including the construction of a 150,000 square feet logistics facility in Newport West in the first phase of development. Phase one is expected to be completed by the end of 2015.

5.2. Value proposition for the Port of Kingston Logistics Park

In spite of the successes of the KCT and Kingston Wharves, successful global ports today have evolved to include logistics and value-added activities in close proximity to the terminal operations. The provision of value-added and logistics services is an important component of the Port of Kingston development strategy. Some of the elements that are driving opportunities in the logistics market include:



- Stage of development of economies – this ranges from advanced economies and rapidly industrialising developing nations in Latin America to countries at early stages of development in Central America and Caribbean. These countries require a mix of goods and services which may be serviced from the proposed Port of Kingston Logistics Park.
- Elimination of inventories – the nature of the retail industry has been undergoing changes with retailers requiring the elimination of inventories along the chain from factory to retail floor. Increasingly, retailers seek to maintain only sufficient inventory to stock shelves, as such they require that goods be shipped in desired quantities directly to the retail store. They are also desirous of minimizing the inventories that are maintained at centralised warehouses. This has given rise to the concept of near port logistics centres which involves the integration of the port of entry with warehouse, distribution, assembly and manufacturing along with various modes of transportation (road, rail and sea).
- Value-added activities – the goods that enter the port can be consolidated, kitted into containers containing the exact mix of different goods required by stores at one of the last ports or at convenient locations in the supply chain on the way from factories to stores. Goods are customized to include the appropriate materials in the appropriate languages as close to the final markets as possible and final assembly occurs close to market to reduce the time between order and delivery of the customized products and keep inventories low. These facilities will benefit from being on or close to the port, making these activities more efficient, timely and cost effective.

Meeting the Retail Industry Needs



The approximately 80 hectares of lands and associated physical assets, in close proximity to KCT, all currently generate very low economic activity on their own. The Government and the PAJ are therefore seeking the right partner to develop these lands under long-term concession agreements. Facilities to be developed will include:

- Warehousing, display, pick and pack, reconsolidation and distribution of cargo
- Sophisticated assembling, postponement, customization activities
- Light to advanced manufacturing



The parcels of land totalling 80 hectares consist of:

- Lands with existing warehouses and currently operated as a free zone (FZ on figure above)
- Lands currently in use as a local aerodrome but earmarked for logistics development (AE on figure above)
- Reclaimed lands to be shared between terminal storage area extension (RA on figure above)
- Additional lands and underutilized facilities nearby are available for expansion.

The lands are also located in close proximity to the country's first toll road, local highway, the rail and the Norman Manley International Airport (NMIA), which is scheduled for privatisation by the middle of 2016. It is anticipated that the NMIA will be an international air transshipment centre for cargo destined to North and South America.

5.2.1. Cargo transhipment through the Port of Kingston

Commodity Group Code	Metric Tons	Proportion
Textiles, fabrics, apparel	307,396.42	30.5%
Other - arms etc.	258,999.71	25.7%
Food & beverage and tobacco	183,194.66	18.2%
Chemicals and plastics	110,763.93	11.0%
Minerals - stone, plaster, cement, iron, steel, machinery etc.	109,590.28	10.9%
Automotives - vehicles, ships etc.	27,975.16	2.8%
Fertilisers, animals, trees	6,617.91	0.7%
Optical, photographic, cinematographic etc.	1,356.25	0.1%
Health, pharmaceutical products, essential oils etc.	1,158.36	0.1%
Grand Total	1,007,052.68	100.0%

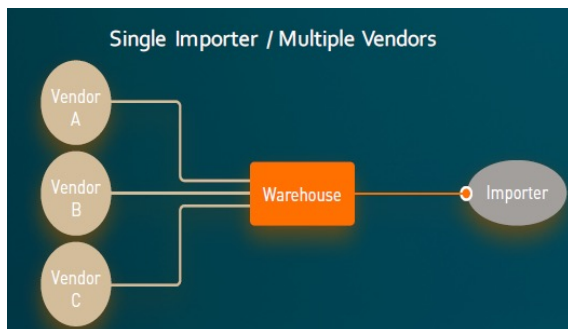
Based on data provided by the PAJ, as at March 2015, textiles, fabrics and apparel account for the highest proportion of cargo transhipped (23.6%) via the Port of Kingston. This is followed by miscellaneous cargo inclusive of arms which account for 25.7% of cargo. The third largest transhipment relates to food, beverage and tobacco.

This provides an idea of the potential areas that can be tapped into by investors, to provide value-added services such as sophisticated assembling, light manufacturing, re-packaging etc. of incoming cargo, at economic rates. While only 2.8% of cargo transhipment is currently of automobiles, Jamaica could be distinguished as a hub (based on its location), for new and used vehicles from Japan and other countries to be held for short periods of times, to meet future supply requests from the Americas region. This will enable vendors and importers increased flexibility and facilitate their timeliness in responding to customer demands.

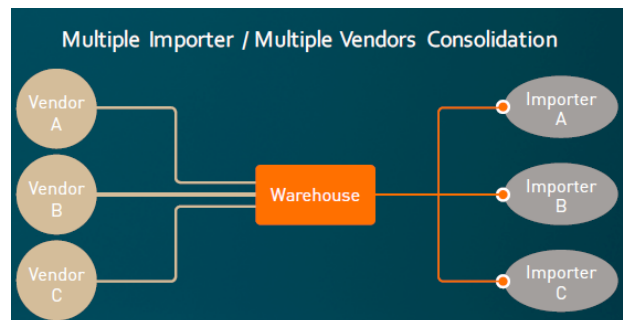
5.2.2. Potential operating models for logistics companies

Companies operating logistics activities may structure their business in one of three ways, as illustrated below:

Option I



Option II



Option III

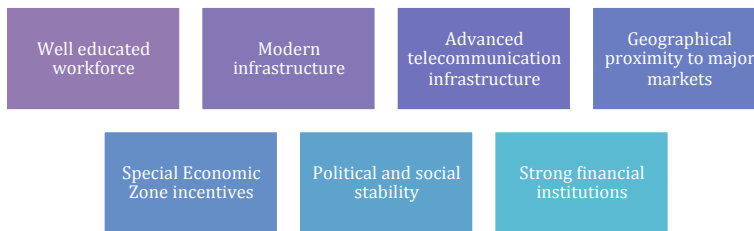


Some benefits of these models include:

- Increased efficiencies
- Lower domestic inventories and logistics costs
- Reduced lead times
- Pooling/ consolidations
- Elimination of destination costs – warehousing, labour etc.

5.2.3. Advantages of the location for logistics activities

The proposed site for the Port of Kingston Logistics Park is in an ideal location to capitalize on the anticipated growth in the logistics industry. Among the benefits available to potential operators of the Port of Kingston Logistics Park are:



- **Well educated workforce** – There is a large and well-trained labour pool that is readily accessible. Further, specialized logistics training facilities are located in close proximity to the Port of Kingston.

There are over 450 public and independent institutions that offer secondary, technical, vocational, college and university level education in Jamaica².

An indicator of the quality of Jamaica’s labour force is the high international demand for graduates (including port technicians).



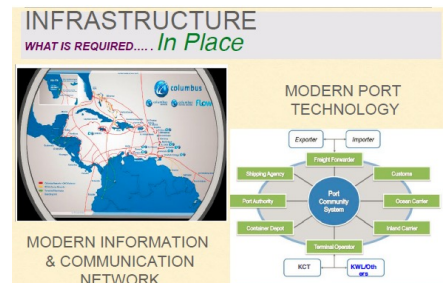
- **Modern infrastructure** – there is easy connectivity to nearby international airport to provide air cargo and passenger services to worldwide markets. Jamaica is also home to the largest sea port in the Region (the Port of Kingston). It also has a fairly good road network (Highway 2000 connects major towns and industrial centers and provides multiple connectivity points between parishes). Other infrastructures include water, electricity and cable.

The new highway infrastructure also brings all the major labour pools in quick access to the proposed site.



- **Advanced telecommunication infrastructure** – Jamaica’s world class and robust telecoms infrastructure supports all the requirements for global connectivity and ranks among the most developed in the world when compared to the US and UK. The island boasts an array of high tech state of the art infrastructure facilitating ease of communications locally and internationally.

A Port Community System (an initiative that is soon to be implemented via a PPP arrangement) will ensure timely and efficient information sharing among all local and international port stakeholders and government agencies.



² According to data extracted from the Ministry of Education’s “Education Statistics, 2012-2013”

- **Geographical and cultural proximity to major markets** – Jamaica is an ideal destination based on its proximity to the North American and European market. This attribute is particularly important as firms are increasingly looking to low cost ‘near shore’ options to outsource aspects of their operations.
- **Gateway to multiple destinations** – The country is located in the Eastern Standard Time (EST) zone, making it convenient for doing business with the USA, Latin America and the Caribbean. It is one hour from Miami, and three hours from New York. It is also accessible through the main shipping lanes to the Panama Canal.



- **Special Economic Zone Incentive** – This is a new regime that will replace the existing free zone arrangement. It is expected to focus on promoting synergies among enterprises and offering them a conducive and stable regulatory environment. Measures such as stimulation of sustainable business-to-business linkages, harmonization of fiscal incentives and other reforms will be intensified.



- **Political & social stability** – Jamaica is a relatively stable country politically and socially, with a strong history of democratic governance. While there has been minimal growth in the economy over the past few years, no major meltdown, of the scale that is currently being experienced by other countries is anticipated.

With the geo-political situation around the world as it is, Jamaica provides a relatively safe location for businesses to offshore or ‘near shore’ some of their logistics operations.



- **Strong financial institutions** – Jamaica has a well regulated financial services sector with a broad cross section of financial institutions (local and international).

The country also has a diversified and well developed capital market, liberal export incentives, liberal import policies and minimal restrictions on repatriation of capital



5.2.4. Target investors

For the proposed development, we are seeking to attract to attract partners that can:

- Build out the logistics park – such a partner should possess: know how for constructing logistics park and facilities, capital for undertaking infrastructure works. The investor would undertake the construction of warehouse(s) representing 60% of rentable space, with the remaining space being dedicated for Offices/Administration buildings. This could be carried out by real-estate developers, Third Party Logistics Providers (3PL providers³) or Beneficial Cargo Owners.
- Market the facility to users – these include retailers, Third Party Logistics Providers (3PLs) and manufacturing firms

³ A third-party logistics provider - a firm that provides service to its customers of outsourced (or "third party") logistics services for part, or all of their supply chain management functions.

5.2.5. Indicative deal structure

An offer is being made to investors to develop the parcels of land identified using an appropriate business arrangement that may take the form of a special purpose vehicle (SPV), a joint venture (JV) or a public-private partnership (PPP).

The Government is willing to participate and facilitate the development by way of the provision of lands, approval of the appropriate incentives to drive competitiveness of operations at the proposed site and undertake the development of the core infrastructure. The Government will also facilitate development as appropriate through inter-government consultations and the provision of timely approvals – permits and agreements.

Participants from the private sector will undertake the overall development of the site and efficiently operate the facilities in accordance with agreements with the Government. Preliminary information indicates that the overall development cost was estimated of approximately US\$350 million. This in part was based on a prefeasibility study undertaken by Drewry Maritime Consultants in 2010 and updated to reflect price changes. The estimated costs are largely dependent of the mix of facilities - Primary logistics facilities (warehouses and related structures), offices, facilities for displays/events such as trade shows, green areas and parking. The pace of development will be dependent on market demand.

Based on data compiled from other operators within different segments of the global logistics industry, returns on investments in logistics can range between 8% and 24% as follows:

Transport & Logistics Industry Returns

	4 Q	3 Q	2 Q	1 Q	4 Q	Average
TTM)	2014	2014	2014	2014	2013	
Return On Assets	7.57%	9.02%	8.59%	8.82%	8.98%	8.60%
Return On Investment	9.13%	11.45%	10.84%	11.04%	11.18%	10.73%
Return On Equity	15.74%	27.30%	25.90%	26.74%	27.54%	24.64%

Source: http://csimarket.com/Industry/industry_ManagementEffectiveness.php?ind=1101

5.3. Enabling environment for the logistics industry

There are currently a number of free zones in operation in Jamaica. These are areas dedicated to construction, management and rental of office and factory space in order to promote exports, generate foreign currency earnings, create new employment and facilitate the transfer of technology. The free zones provide significant investment opportunities for both Jamaican and foreign investors, including:

- Easy access to air, sea and telecommunications services
- No tax on profits
- Duty exemption on imports and exports
- Minimal customs procedures
- Wide market access through international trade agreements
- Adaptable, productive, English speaking workforce

Companies in the free zones are engaged in manufacturing activities, telemarketing, data entry, electronic assembly, telecommunication services and reservation and business process outsourcing.

The Kingston Free Zone opened in 1976 to complement the transshipment facilities of the Port of Kingston. It manages over 700,000 sq. ft. of factory space, in addition to the 50,000 sq. ft. at the Portmore Information Park. Following the success of the Kingston Free Zone, the Montego Bay Free Zone was opened in 1985 and now comprises 600,000 sq. ft. of rentable space. There are a number of other free zones that are operated publicly as well as privately.

Jamaica's free zones are among the most attractive and sought after locations for offshore operations in the Caribbean region and have been particularly successful in the development of the light manufacturing and information and communications technology sectors.

In March 2014, Jamaica's cabinet approved the development of a modern Special Economic Zone (SEZ) regime to replace the previous Free Zone arrangement. This decision demonstrates the Government's commitment to build a competitive business environment and support growth-inducing economic activities that will stimulate sustainable economic growth and development. SEZs will be supported by efficient and cost-effective regulatory procedures for businesses, a single administrative authority and attractive tax incentives for foreign and local investors alike, supported by modern legislation and best practices within the institutional framework governing their operations.

It is anticipated that the SEZ regime will stimulate wide-scale economic activities, especially in new and emerging sectors. Through the SEZ regime and other initiatives, measures such as stimulation of sustainable business-to-business linkages, harmonization of fiscal incentives and other reforms will be intensified so that over time, the Jamaican economy will be transformed to one with greater emphasis on efficiency, transparency and predictability. As a result of these reforms, both businesses in SEZs and businesses in the rest of the economy will be better positioned to expand and diversify their economic activities and hire more workers.

5.3.1. Investment and Trade Agreements

Jamaica is a party to a number of investment and trade agreements aimed at promoting free trade and attracting foreign direct investments to the country. A synopsis of these agreements is provided herein:

Agreements	Summary Benefits																											
Umbrella of Bilateral Investment Treaties (BIT)	<p>This allows a company from a country with whom Jamaica has signed such a treaty to easily set up a business in Jamaica. Jamaica's Current BIT Partners⁴</p> <table border="0"> <tr> <td><input type="checkbox"/> Belgium & Luxembourg</td> <td><input type="checkbox"/> Nigeria</td> <td><input type="checkbox"/> The United States of America</td> </tr> <tr> <td><input type="checkbox"/> Colombia</td> <td><input type="checkbox"/> Netherlands</td> <td><input type="checkbox"/> Kuwait</td> </tr> <tr> <td><input type="checkbox"/> Cuba</td> <td><input type="checkbox"/> Spain</td> <td><input type="checkbox"/> Swiss Confederation</td> </tr> <tr> <td><input type="checkbox"/> Iceland</td> <td><input type="checkbox"/> France</td> <td><input type="checkbox"/> Switzerland</td> </tr> <tr> <td><input type="checkbox"/> Germany</td> <td><input type="checkbox"/> Ghana India</td> <td><input type="checkbox"/> Sri Lanka</td> </tr> <tr> <td><input type="checkbox"/> Malaysia</td> <td><input type="checkbox"/> Indonesia</td> <td><input type="checkbox"/> Turkey</td> </tr> <tr> <td><input type="checkbox"/> Mauritius</td> <td><input type="checkbox"/> Italy</td> <td><input type="checkbox"/> United Kingdom</td> </tr> <tr> <td><input type="checkbox"/> China</td> <td><input type="checkbox"/> Singapore</td> <td><input type="checkbox"/> Venezuela</td> </tr> <tr> <td><input type="checkbox"/> Egypt</td> <td><input type="checkbox"/> Zimbabwe</td> <td></td> </tr> </table> <p>Companies are accorded the same protection as any Jamaica business under the National Treatment law</p> <p>Companies are allowed to repatriate their profits generated in the host country</p>	<input type="checkbox"/> Belgium & Luxembourg	<input type="checkbox"/> Nigeria	<input type="checkbox"/> The United States of America	<input type="checkbox"/> Colombia	<input type="checkbox"/> Netherlands	<input type="checkbox"/> Kuwait	<input type="checkbox"/> Cuba	<input type="checkbox"/> Spain	<input type="checkbox"/> Swiss Confederation	<input type="checkbox"/> Iceland	<input type="checkbox"/> France	<input type="checkbox"/> Switzerland	<input type="checkbox"/> Germany	<input type="checkbox"/> Ghana India	<input type="checkbox"/> Sri Lanka	<input type="checkbox"/> Malaysia	<input type="checkbox"/> Indonesia	<input type="checkbox"/> Turkey	<input type="checkbox"/> Mauritius	<input type="checkbox"/> Italy	<input type="checkbox"/> United Kingdom	<input type="checkbox"/> China	<input type="checkbox"/> Singapore	<input type="checkbox"/> Venezuela	<input type="checkbox"/> Egypt	<input type="checkbox"/> Zimbabwe	
<input type="checkbox"/> Belgium & Luxembourg	<input type="checkbox"/> Nigeria	<input type="checkbox"/> The United States of America																										
<input type="checkbox"/> Colombia	<input type="checkbox"/> Netherlands	<input type="checkbox"/> Kuwait																										
<input type="checkbox"/> Cuba	<input type="checkbox"/> Spain	<input type="checkbox"/> Swiss Confederation																										
<input type="checkbox"/> Iceland	<input type="checkbox"/> France	<input type="checkbox"/> Switzerland																										
<input type="checkbox"/> Germany	<input type="checkbox"/> Ghana India	<input type="checkbox"/> Sri Lanka																										
<input type="checkbox"/> Malaysia	<input type="checkbox"/> Indonesia	<input type="checkbox"/> Turkey																										
<input type="checkbox"/> Mauritius	<input type="checkbox"/> Italy	<input type="checkbox"/> United Kingdom																										
<input type="checkbox"/> China	<input type="checkbox"/> Singapore	<input type="checkbox"/> Venezuela																										
<input type="checkbox"/> Egypt	<input type="checkbox"/> Zimbabwe																											

⁴ List of BITs & DTAs provided by courtesy of the Ministry of Foreign Affairs & Foreign Trade, Jamaica.

Agreements	Summary Benefits																												
World Trade Organisation Trade Facilitation Agreement	The Trade Facilitation Agreement contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area.																												
Double Taxation Agreement (DTA)	Protects foreign investors' income from being taxed in their home country and Jamaica. The DTA is executed between Jamaica and 12 countries including Canada, UK and USA.																												
	<table border="1"> <thead> <tr> <th data-bbox="427 495 687 521">Jamaica's DTA Partners</th> <th data-bbox="895 495 1082 521">Agreement Type</th> </tr> </thead> <tbody> <tr><td data-bbox="427 528 507 555">Canada</td><td data-bbox="895 528 1082 555">Income & Capital</td></tr> <tr><td data-bbox="427 562 491 589">China</td><td data-bbox="895 562 1082 589">Income & Capital</td></tr> <tr><td data-bbox="427 595 528 622">Denmark</td><td data-bbox="895 595 1082 622">Income & Capital</td></tr> <tr><td data-bbox="427 629 507 656">France</td><td data-bbox="895 629 1082 656">Income & Capital</td></tr> <tr><td data-bbox="427 663 528 689">Germany</td><td data-bbox="895 663 1082 689">Income & Capital</td></tr> <tr><td data-bbox="427 696 491 723">Israel</td><td data-bbox="895 696 1082 723">Income & Capital</td></tr> <tr><td data-bbox="427 730 512 757">Norway</td><td data-bbox="895 730 1082 757">Income & Capital</td></tr> <tr><td data-bbox="427 763 491 790">Spain</td><td data-bbox="895 763 975 790">Income</td></tr> <tr><td data-bbox="427 797 512 824">Sweden</td><td data-bbox="895 797 1082 824">Income & Capital</td></tr> <tr><td data-bbox="427 831 555 857">Switzerland</td><td data-bbox="895 831 1082 857">Income & Capital</td></tr> <tr><td data-bbox="427 864 603 891">United Kingdom</td><td data-bbox="895 864 1082 891">Income & Capital</td></tr> <tr><td data-bbox="427 898 571 925">United States</td><td data-bbox="895 898 1082 925">Income & Capital</td></tr> <tr><td data-bbox="427 931 608 958">CARICOM States</td><td data-bbox="895 931 1082 958">Income & Capital</td></tr> </tbody> </table>	Jamaica's DTA Partners	Agreement Type	Canada	Income & Capital	China	Income & Capital	Denmark	Income & Capital	France	Income & Capital	Germany	Income & Capital	Israel	Income & Capital	Norway	Income & Capital	Spain	Income	Sweden	Income & Capital	Switzerland	Income & Capital	United Kingdom	Income & Capital	United States	Income & Capital	CARICOM States	Income & Capital
Jamaica's DTA Partners	Agreement Type																												
Canada	Income & Capital																												
China	Income & Capital																												
Denmark	Income & Capital																												
France	Income & Capital																												
Germany	Income & Capital																												
Israel	Income & Capital																												
Norway	Income & Capital																												
Spain	Income																												
Sweden	Income & Capital																												
Switzerland	Income & Capital																												
United Kingdom	Income & Capital																												
United States	Income & Capital																												
CARICOM States	Income & Capital																												
Economic Partnership Agreement (EPA)	<p>Facilitates ease of trade by granting duty free and quota free access of CARIFORUM goods (except for rice and sugar) to the participating EU member countries and also seeks to provide development co-operation to Jamaica and other CARIFORUM member states.</p> <p>The Agreement accords duty free access to most goods and services originating in Jamaica that is destined for the EU. It requires Jamaica (and other members of the CAIFORUM) to also extend this courtesy to goods and services originating in member countries of the European Union.</p>																												
Caribbean Basin Initiative (CBI)	<p>The CBI Act was established by the US in 1984 to provide economic aid to Jamaica (and 23 other countries in the Caribbean and central America) through the waiver of tariff benefits.</p> <p>To obtain the benefit, at least 35% of the products' value must have originated in Jamaica or another Caribbean Basin Trade Partnership Act (CBPTA) beneficiary's territory. The 35% can be reduced to 20% if not less than 15% of the product originated in the US or Puerto Rico.</p>																												
Caribbean Single Market Economy (CSME)	<p>Established to create economies of scale in the region, the CSME affords Jamaican goods and persons duty free and unencumbered movement into other CSME markets. Jamaican goods that have already entered a CSME country will also be eligible for export/import into another CSME territory without duty.</p> <p>CSME offers Jamaicans the right to establish a business in another territory in the CSME without restriction. Capital from Jamaica can also circulate freely in other CSME countries</p>																												
CARICOM-Dominican Republic Free Trade Agreement (FTA)	The agreement specifies the tariff treatment for goods traded between CARICOM and the Dominican Republic, such as: duty free access to markets for goods, the elimination of non-tariff barriers, harmonization of technical, sanitary and phytosanitary procedures and the development of co-operation activities in key goods and services sectors in Jamaica as well as the co-operation on promotional activities in the FTA and encouragement of joint venture.																												

Agreements	Summary Benefits
CARICOM- Republic of Venezuela Trade and Investment Agreement	This is a one-way privilege extended to CARICOM for goods entering Venezuela to benefit from reduced or eliminated tariffs for specified products. Rules of Origin – 100% wholly grown or manufactured in CARICOM (exception for goods with raw materials from other countries significantly transformed through processing and also assembled goods with 50% or less of the freight on board (F.O.B.) export value contributed from a third country)
CARICOM-Republic of Costa Rica Free Trade Agreement (FTA)	The agreement covers trade in goods and special arrangement for trade in services; specifically, it identifies the goods for tariff exemption from CARICOM to Costa Rica. Goods must satisfy the country of origin requirements to qualify for trade under the agreement.
CARICOM- Republic of Cuba Trade & Economic Corporation Agreement	The main feature of this agreement is that it grants free market access for goods and provides for the elimination of non-tariff barriers to trade. The agreement incorporates a rules of origin system as well as the harmonization of technical, sanitary and phytosanitary measures between the members' states.
CARICOM-Republic of Colombia Trade, Economic and Technical Cooperation Agreement	Colombia offers CARICOM member states duty free access to its markets by eliminating non-tariff barriers, removal of tariffs on certain products and phased reduction of tariff on other products and application of Most Favoured Nation to the remainder.
CARICOM-USA Trade and Investment Framework Agreement (TIFA)	The aim of this agreement is the strengthening of economic relations between the USA and CARICOM countries through cooperation, trade and investment. It also addresses investment restrictions and trade barriers to promote private and foreign direct investment. TIFA does not affect the existing preferential arrangements under the CBI
General System of Preferences (GSP)	Under the GSP system developed countries (donor countries) grant preferential treatment to eligible products imported from developing countries (beneficiary countries). Goods manufactured in Jamaica are eligible to enter donor countries under the GSP providing that they conform to the rules of origin.

Trusted Facilitators

The widening of the Panama Canal is anticipated to have a positive impact on Jamaica's vision of becoming a logistics-centred economy. The projected growth in the global logistics industry, coupled with Jamaica's investments in the development of land, sea, air and telecommunications infrastructure, presents an opportunity for investors to make significant earnings from the proposed Port of Kingston Logistics Park. JAMPRO remains committed to improving, promoting, stimulating and facilitating the development of industry and trade, improving the nation's business climate and fostering economic relationships with key players in international markets.

JAMPRO also stands ready to assist all potential investors in taking the next steps to share in the success of the Port of Kingston Logistics Park.

Appendix A. - Documents Reviewed

A.1. List of References

- a) Ministry of Industry, Investment and Commerce: Special Economic Zones Green Paper – Policy for the Establishment of Special Economic Zones under the Jamaica Logistics Hub Initiative, January 2014
- b) Global Logistics Markets.
http://www.rolandberger.at/media/pdf/Roland_Berger_Studie_Global_Logistics_Markets_fin_20140820.pdf.
Retrieved 6 March 2015
- c) CSIMarket.com. http://csimarket.com/Industry/industry_ManagementEffectiveness.php?ind=1101. Retrieved 6 March 2015
- d) List of BITs & DTAs provided courtesy of the Ministry of Foreign Affairs & Foreign Trade, Jamaica
- e) Roland Berger Strategy Consultants and Barclays. Global Logistics Market. August 2014
- f) Vision 2030 Jamaica, Transport Sector Plan. July 2009



JAMPRO

TRADE & INVESTMENT JAMAICA

HEAD OFFICE

18 Trafalgar Road
Kingston 10, Jamaica W.I.
Phone: +1 876 978 7755; 978-3337
Toll Free: +1 888 INVESTJA (468 4352)
Fax: +1 876 946 0090
Email: info@jamprocorp.com

WESTERN REGIONAL OFFICE

Montego Bay Convention Centre
Rose Hall, Montego Bay
St. James, Jamaica W.I.
Email: jampromobay@jamprocorp.com

NORTH AMERICAN REGIONAL OFFICE

303 Eglinton Avenue East, 2nd Floor
Toronto, Ontario, M4P 1L3, Canada
Tel: 416 932 2200 (main) 416-598-3008
Fax: 416 932 2207
Toll-Free: 1 877 744 2208
Email: jamproca@jamprocorp.com

LONDON OFFICE

JAMPRO / Jamaica Trade Commission
1 Prince Consort Road,
London SW7 2BZ, England
Phone: + 44 20 7 584 8894
Fax: + 44 20 7 823 9886
email: jamprouk@jamprocorp.com

www.tradeandinvestjamaica.org

