

REMARKS



HON. ANTHONY HYLTON
MINISTER OF INDUSTRY, INVESTMENT &
COMMERCE

LAUNCH OF NATIONAL EXPORT STRATEGY PHASE II

TERRA NOVA HOTEL
VENETIAN ROOM

THURSDAY, AUGUST 20, 2015 at 8:00 AM

Salutations

- The Most Honorable Prime Minister, Portia Simpson Miller
- Hon. Sharon Ffolkes Abrahams, Minister of State, Ministry of Industry, Investment and Commerce
- Ms. Diane Edwards, President, JAMPRO
- Dr Rashmi Banga, Adviser and Head of Trade Competitiveness Section, Commonwealth Secretariat
- Ms. Yinka Bandele, Adviser (Trade Competitiveness) Trade Division, Commonwealth Secretariat
- Mr. Victor Cummings, CEO/Trade Administrator and this morning's Chairman
- Mrs. Marjory Kennedy, President, Jamaica Exporters' Association
- Representatives of Ministries, Agencies and Departments across Government
- Members of the press
- Specially invited guests... good morning

It is more than a cliché to say that exports are the lifeblood of any economy. For us in Jamaica it underscores a profound reality. The approximately 2.7 million consumers in the Jamaican market are not enough to facilitate sustainable economic growth and we must look beyond our borders. It is, therefore, fitting that we are here this morning to launch the National Export Strategy Phase II (NES2), which focuses on the development of the export sector during the four-year period 2015 – 2019.

National Export Strategy

The key objectives of the first NES were to increase the capacity of Jamaica's export sector and to improve trade performance through a national and comprehensive approach. It also sought to improve the competitiveness of sectors through value chain enhancing strategies. In keeping with this thrust, NES implementation focused on how to develop and sustain export growth for Jamaica.

Hon. Prime Minister, ladies and gentlemen, the NES2 builds on the successes of the NES Phase I (2009-2013) by ensuring that export initiatives are more reflective of the current realities of the different stakeholder groups and that they are attached to measurable outcomes. It was developed to serve as a key instrument to drive the country's export activity, and includes targeted strategic interventions in key sectors such as manufacturing, mining, film and animation, agro-processing and information communication technology enabled services. It, therefore, provides the national context for the further restructuring of systems that support the export sector and thus help position the country to meet its GDP growth targets.

Indeed, one of the main advantages of NES2 is the deliberate attempt to clearly identify the owners and stakeholders of each export initiative, and the development of a system to ensure ongoing communication to facilitate monitoring and evaluation of its implementation. The critical importance that the Jamaican exporter community plays is particularly highlighted within the context of the Government's Memorandum of Economic & Financial Policies (MEFP) with the International Monetary Fund (IMF) and the drive to increase the country's earning power. It becomes imperative therefore, that ministries, agencies and departments across Government internalize and institutionalize NES activities within their corporate and operational plans. If this is done, the NES2 will become the fundamental pillar of our export-led growth strategy.

Additionally, the NES2 is to be aligned to other national policies, initiatives and plans, including the Growth Agenda, Vision 2030 the Micro, Small and Medium Enterprises and Entrepreneurship Policy, the dynamic work being carried out by the National Competitiveness Council and the Logistics Hub Initiative, as well as the various trade agreements and initiatives of the Ministry of Foreign Affairs and Foreign Trade. NES2 is not a stand-alone initiative.

Most Hon. Prime Minister, ladies and gentlemen, global trade today is being conducted in the most intensely competitive environment driven by the rapid advances in science and technology that now underpin industry and commerce. Therefore, we must always seek to renew our efforts in ways that conform to the realities of the new environment in which business is conducted. This is a necessity if we are to adapt and keep in step with the ever-changing global marketplace.

The simple truth is that we cannot properly engage in modern trade without ensuring that we adopt a standards- led approach to the production of goods and services reference to quality standards, and the initiative to strengthen the National Quality Infrastructure (NQI). Indeed, without a strong NQI, local businesses are unable to access international markets or become part of global supply and value chains.

National Quality Infrastructure

The National Quality Infrastructure is predicated on a highly integrated network of people, systems and organizations with the Bureau of Standards Jamaica (BSJ) being at the centre of this transformation process. With an efficient NQI, businesses will become more competitive. This infrastructure is anchored by the following four pillars:

- Standards development;
- Conformity assessment which involves testing, inspection and certification;
- The science of measurement, metrology; and
- Accreditation

I am pleased that much has been accomplished over the last three years to buttress our NQI. Achievements include the recent reform effort at the Bureau of Standards of Jamaica involving the separation of the regulatory functions from its standards development functions, strengthening of the National Certification Body of Jamaica (NCBJ), and improvements in the capacity of the Jamaica National Accreditation Agency (JANAAC). Indeed, these efforts to strengthen the NQI will have positive

implications for our local suppliers who will benefit from being able to take greater advantage of our current trading arrangements.

Trade Facilitation

Most hon. Prime Minister, ladies and gentlemen, while tariff barriers and regulatory barriers are being systematically lowered worldwide, non-tariff barriers and especially technical barriers to trade have become more pronounced, impeding the access of our products and services to global markets. One such technical barrier is the Food Safety Modernization Act of 2011 (FSMA) due to its regulations around food safety. However, it is our task to ensure that our exporters able to surmount these challenges.

In Jamaica, we face similar barriers in the import-export process. As I have previously stated, according to the 2014 Doing Business Report, Jamaica takes an average of 20 days to export, requiring 6 documents at a cost of US\$ 1,530 per container. To import, it takes an average of 17 days, requiring the completion of 7 documents at a cost of US \$2,130 per container. In comparison, Panama takes an average of 10 days to export using 3 documents at a cost of US\$625 per container and to import requires 9 days and 3 documents at a cost of US \$965 per container.

These statistics for Jamaica, though disturbing on their own, are even more sobering when compared with Panama.

Most Hon. Prime Minister, ladies and gentlemen, effective trade facilitation turns on the principles of ease, transparency and predictability of doing trade. It requires transparency and efficiency of our cross border procedures, strengthening of the efficiency of maritime operations, and improvement in the competitive offerings of our impending Special Economic Zones.

Our work in this regard is spearheaded by the Trade Facilitation Task Force which includes relevant ministries, departments and agencies across Government. Appropriately, the discussions of the Joint Select Committee on the Customs Amendment Bill, of which I am a part, will also play an important role in the furtherance of this agenda. The simple fact is, we cannot efficiently and effectively conduct trade activities, including export, with modernizing and increasing efficiency in the area of Customs.

Let me therefore, congratulate the Jamaica Customs on the work that it has already done towards improved trade facilitation with the implementation of ASYCUDA World and the revised Authorised Economic Operator (AEO) Programme. Indeed, the Trade Facilitation Task Force will ensure that the regulatory agencies work closely with the Automated System for Customs Data (ASYCUDA) system as Jamaica moves steadily towards the development of a Single Trade Electronic Window Environment.

Most Hon. Prime Minister, Ladies and gentlemen, trade facilitation is also critical to giving life to the planned Special Economic Zones, as it will serve as a platform for production and connectivity thus advancing the implementation of the NES2. The SEZs will enable Jamaican businesses, particularly micro, small and medium sized enterprises (MSMEs), to provide products and services to large scale local and international businesses operating out of the zones. This benefit is consistent with the vision of the logistics hub and the logistics-centred economy, which is about increased efficiency, productivity and economic competitiveness.

Conclusion

NES2 effectively takes into consideration the current challenges faced in developing our export-centred economy and make allowance for the provisions critical to furthering the growth agenda. Indeed, it is on par with the far reaching business reforms that have

allowed our country to be ranked #1 in the region for FDI strategy by fDi Magazine. And, without the existence of a strong NES, there would exist a gap in the tapestry of the national growth agenda.

In closing, let me therefore take this opportunity to thank the Commonwealth Secretariat for the support it has given us to get this very important work done. Improving export performance is critical to turning the economy around and getting it onto a path of sustained economic growth with jobs.

I thank you.