



**REMARKS BY PSOJ PRESIDENT WILLIAM MAHFOOD  
MONA SCHOOL OF BUSINESS AND MANAGEMENT  
BUSINESS MANAGEMENT CONFERENCE  
JANUARY 7, 2015  
MONTEGO BAY**

**Salutations**

Thank you for the invitation to be here this evening, which is the very first appearance in my capacity as President of the PSOJ. So thank you for this opportunity.

Let me begin by first wishing for you and all Jamaicans a very happy and prosperous New Year. So many of us take it for granted, but being able to live to see another year is a huge blessing and we should all be thankful. A new year always presents the opportunity to reflect and assess what has gone right and what needs to be improved in our personal and professional lives, which we should be doing all year round, but the start of a new year presents us with a very good measuring stick of our successes and failures. It is indeed an opportunity for us as a country to also look at what we must do to make Jamaica the place of choice to do business, live, work, and raise families.

For me, I am certainly starting 2015 off with a bang. In December, I was elected the 17<sup>th</sup> President of the PSOJ, an organization my uncle and past Chairman of Wisynco Sam Mahfood was also the President of, from 1984 to 1986. I therefore view the presidency as an honor to carry on the work of my uncle, previous presidents, and to add my own contribution to those of the great men who have served before me. With any change in leadership comes an assessment of what is to be done and where the focus must be, as one or two years is not enough to change the world (I will be making every attempt) but it gives one an opportunity to add to the progress. This evening, I intend to look at in detail the areas that I

intend to focus on during my time at the PSOJ, but first, here is a business recap of last year.

2014 was a year of adjustments and realignment for individuals, businesses, and the economy. Unemployment declined, as individuals sought to gain new skills; business profits and expansion increased, as companies emerged stronger from the recession; and the economy became well poised for expansion.

The country met all targets under the IMF economic programme, and successfully passed its sixth quarterly test in December, which is a demonstration of the commitment to and discipline of reform. This is not something we can emphasize enough, as in the past we have always been tempted to go back to the old customs that have not worked, but which we have always thought we could defy the odds by doing the same things over and over and expect different results. This time we must stick to our guns and not be distracted by political expediency or the loud voices that for whatever reason are satisfied with the old way of doing things.

We have also seen the record and rapid improvement of 27 places in the World Bank Doing Business Ranking and Forbes Magazine naming Jamaica as the best place in the Caribbean to do business. These ratings in no way mean that we have resolved our challenges, however, as much remains to be done to create an easier business environment, particularly with respect to bureaucracy, energy, and law and order. I implore the policy makers to continue the dialogue with all stakeholders and work to create an environment that facilitates business growth and innovation, and also create a platform for an improved standard of living for all Jamaicans. The state must become the facilitator of a better life for Jamaicans (with focus on health services, Justice, law and order, security, education not necessarily in that order) and shed the perception of us against them.

We have also seen somewhat of a decline in serious crimes, and a more professional approach by the security forces, for which the Security Minister and the Police Commissioner must be commended. Here I would also like to commend the role of the PSOJ's National Security Committee and Crime Stop, a PSOJ initiative, in its work with the authorities.

In December, after witnessing months of significantly lower oil prices on the global scene, we called for greater reductions in tandem with global oil price

decreases, and we have just had a meeting with the management of Petrojam to discuss their pricing mechanisms. It is critical at this time for lower oil prices to be passed on, as this will result in a much needed economic stimulus and help our ailing local economy.

Going into 2015 we should therefore benefit from significantly reduced oil prices, a lower crime rate, an improved legislative environment, improvements in public sector rationalization, and the expanding US economy, which recorded 5 percent growth in the 3rd quarter of 2014.

We however, continue to be affected by an ailing, but slowly recovering economy, which was in turn affected by conditions such as the drought, and avoidable issues such as the widespread Chikungunya virus, which many of us continue to be affected by, and which we at the PSOJ estimated cost the country at least 13 million man hours, and approximately J\$7 billion in GDP. As we go forward into 2015, the biggest risk factors will remain health and labour productivity.

And speaking of labour productivity we again see where some public sector workers are declaring that they will not take another wage freeze, amidst a call from the IMF for wage restraint. We also see where discussions are to start on the minimum wage once again. In the past we have always sought to address these issues by raising wages but without fixing the underlying problem, which is labour productivity. If we continue to be satisfied with low labour productivity then we will only make the situation worse for workers, and will always be at the place where we hear cries for higher wages and worsening conditions, leading to greater debt. It is therefore somewhat of a regret that we were unable to make any significant movements on public sector reform, and that bureaucracy continues to plague businesses and remains a major stumbling block to labour productivity and increased real wages.

So now, let me turn my attention to my priority areas during my tenure as PSOJ President. Without a doubt, I see improving the country's business environment and creating more jobs as my immediate priority. We need to do more to continue working towards creating a business environment that is open and inviting to investors, and is also more efficient and effective. The jump in 27 places on the Doing Business Ranking is a great start, and it certainly sounds good on paper, but

we at the PSOJ understand that we have a critical role to play in monitoring the policy environment to ensure that these lead to on the ground improvements and that our members in particular benefit from an improved business environment. My commitment to you is that we will actively continue to consult and work with the authorities in this regard, and have already started the process. I also have with me a team of officers and a secretariat that is fully committed to this.

The creation of more jobs will go a far way in reducing the myriad of social ills that we continue to face every day, and will ultimately contribute tremendously to growing our economy. Unemployment was reduced last year, and I believe that if we focus more on creating employment through available industries such as the business processing outsourcing industry, tourism and agriculture we will be able to see these numbers trend downwards quickly.

I pause here to add that even though we have seen a significant reduction in the crime statistics, this is far from where we need to be. We must continue to strive for a more professional and corrupt free police force, safer communities, and law and order. I want to say that we as citizens have a very instrumental role to play in this regard as it is we who break the laws and contribute to lawlessness in our society.

I also want to continue the initiative which begun last year under Immediate Past President Chris Zacca, to bring more associations, businesses, and individuals under the PSOJ umbrella, which will allow more of the private sector to speak with a strong unified voice on what is best for our country. I can without doubt say that the PSOJ is a very strong organization today and we will continue to build on this strength, particularly as we see to the wellbeing of our membership and for all Jamaicans.

Thank you.

**WILLIAM MAHFOOD**  
**PRESIDENT**  
**THE PRIVATE SECTOR ORGANISATION OF JAMAICA**

**JANUARY 7, 2015**