



Planning Institute of Jamaica Growth Inducement Programme's Growth Forum

“Diversification for Faster Recovery and Growth”

April 29, 2021, 9am - 12noon via Zoom and Facebook

Forum 2 Key Takeaways

Since early 2020, the COVID-19 pandemic has adversely impacted the Jamaican economy. The pandemic has effectively wiped away the hard-earned gains in economic growth achieved through numerous growth initiatives. However, the pandemic provides an opportunity for Jamaica to utilise its comparative advantages and local resources to take advantage of emerging opportunities to rebound from this economic shock and improve resilience through economic diversification.

Jamaica's economy has historically been largely driven by a few key industries, most of which were hard hit during the pandemic. For the 2020 calendar year, the Hotels and Restaurants sector contracted by 54%, for instance. This experience has demonstrated that the Jamaican economy needs to be diversified, that is increasing major streams of income by exploring opportunities at hand to offer new or upgraded products—ideally further up the value chain—and services in markets currently served and in new markets.

In the second forum of our three-part series, we explored the potential of diversification to substantially transform Jamaica's economy as it has for other countries. We also explored to effectively do so and the key emerging and established industries that have significant potential to strengthen Jamaica's economic growth.

Some of the key takeaway points from the forum's presentations by JAMPRO, PSOJ and the PIOJ's GIP, and the discussions thereon, are provided here for your consideration and action:

General approaches/ perspectives:

- Improving the diversity of the Jamaican economy's income streams will reduce the risk of deep downturn in the moments of crisis.

- Jamaica has a number of new and potentially impactful investment opportunities in diverse industries and markets but faces the major challenge of under-investment, mismatch of investment and low investment in productive sectors by the local private sector.

Diversification opportunities for growth:

- Prioritise and resource the implementation of the Business Environment Reform Agenda (BERA) to encourage increased business activity, including more expansive strengthening/ restructuring of government entities that support or regulate business/ various industries.
- Empower MSMEs through formalization and improved access to finance (financial inclusion).
- Invest in human capital—to have the right hard and soft skills available, including mind-set toward tech, job attitude, ability to learn on the job, computer literacy, and financial literacy.
- A significant short-term economic impact can be realised by privatising productive government assets that are being sub-optimally managed.
- A significant medium-term opportunity for Jamaica's economic recovery is to improve Jamaica's digital infrastructure and significantly increase digitisation of processes and services in all sectors of the economy (For further detail, please see Key Points and video from the first forum in this series.

<https://www.youtube.com/watch?v=8D8Diys0paU&t=8414s>

Key and/or emerging industries proposed for the diversification of the Jamaican economy notably overlapped with the list of key industries to be prioritised for technological transformation (was derived from the first forum in this series), as shown below:

Key Industries	
Diversification	Technological Disruption
Agriculture	Agriculture
Agro-processing	Agro-processing
Global (Digital) Services (aka BPOs)	Global (Digital) Services (aka BPOs)
Logistics	Logistics (especially distribution)
Manufacturing	Manufacturing
Renewable Energy	Renewable Energy
	Health
	Finance (including insurance)
	Legal

Forum 2 on Diversification for Faster Recovery and Growth on may be viewed at:

<https://youtube.com/playlist?list=PLvS6hAc9smserM-b6bNweZSPnafzySRP5>