Section Theme: The Jamaica Logistics Hub and the Jamaica Growth Agenda: Implications for Funding & International Competitiveness

I. CONTEXT

Components of the Growth Strategy

The Government of Jamaica has embarked on a growth strategy which is geared toward systematically tackling the longstanding binding constraints which have resulted in country’s underperformance. The strategy is also geared at stimulating sustainable inclusive growth through strategic investments and social transformation. The strategy is consistent with the Vision 2030 Jamaica Plan and the Medium Term Socio Economic Framework 2009–2012 and 2012–2015.

The main elements of the country’s Growth Agenda in the medium-term therefore represent a holistic programme that, in addition to fiscal consolidation, also include business environment reforms, strategic major investment projects, human capital development and protection, national and community security, and strengthening environmental resilience.

The main components of the strategy are as follows:

a. Fiscal Consolidation: Initiatives and reforms geared at placing the debt on a sustainable downward path: for example, tax reform, public financial management reforms
b. **Structural Reforms**: This seeks to improve competitiveness through the reduction in the cost of doing business, for example, business climate reforms, energy reform.

c. **Strategic Investments**: The government has been aggressive in facilitating major catalytic and strategic investments in order to foster more robust growth. Various projects are ongoing in the areas of agriculture, tourism, energy and logistics, ICT, etc.

d. **Social Transformation**: The government is committed to pursuing various programmes and initiatives to maintain and advance social stability, ensure social inclusion and transform the labour market.

**II. Role of Logistics Hub in the Growth Agenda**

Building on the foundations of more stable macroeconomic conditions and an improved business environment, the Growth Agenda also includes the implementation of strategic investment projects in a range of industries which have the potential to contribute to growth and employment in the medium term and to the long-term development of the Jamaican economy.

From as early as 2007, during the preparation of the Transport Sector Plan for Vision 2030 Jamaica, the strategic opportunity for the country to be a major transhipment hub was articulated. There is no doubt that Jamaica, based on its
geographical location, well developed maritime infrastructure and the projected increase in trade flows from the Panama Canal, is strategically positioned to reap the benefits, once we organize ourselves to do so. Against this background the GOJ’s Medium Term Socio-Economic Framework 2012–2015 focuses on expediting the phased and integrated development of the key components of the Global Logistics Hub. The successful roll-out of the various components of the project will contribute to the country achieving several national outcomes as articulated in Vision 2030.

- **Strong Economic Infrastructure**
- **World class Education and Training**
- **An enabling Business Environment**
- **Internationally Competitive Industry Structures.**

### III. Implications for International Competitiveness

The establishment of Jamaica as a Global Logistics Hub has strong implications for the country’s international competitiveness based on the type of “hard” and “soft” infrastructure required for the Hub to operate and compete at world-class levels. Several of the required infrastructure are already being facilitated through government intervention, however there are numerous other initiatives, programmes and projects to be implemented, if we are serious about being a globally competitive logistics hub. Collectively, if we as a country are able to achieve the following it would certainly significantly improve the country’s
ranking on key indices of competitiveness, connectivity and technology, and dramatically change the way in which we conduct business.

• **Develop and implement key seaport and airport facilities**
  - Norman Manley (privatization and expansion)
  - Deepening of the Kingston Harbour
  - Modernization of Jamaica customs

• **Further Development of ICT and telecoms infrastructure**
  - Implement Port Community System
  - Asycuda at the port

• **Structural reforms**
  - Business climate
  - Tax Reform including tax incentives
  - Energy reform

• **Creation of economic zones**
  - To support product assembly and light manufacturing

• **Human Capital Development: Training workforce with the requisite skills associated with the various levels of the value chain**
  - Caribbean Maritime Institute
  - HEART Institute
  - UWI/UTech

• **Public Sector Modernization**
  - Improve service delivery to ensure greater efficiency

• **Cultural shift**
  - Time management
  - Values and attitude
• **Road network**
  - Advance the construction of the North–South and East–West Links of Highway 2002
  - Is there a roll for rail in the movement of goods?

• **Expand broadband network islandwide**
  - This supports the infrastructure for logistics as the movement of information is very important for cargo

### IV. Implication for Funding

Given the level of investment required and the current fiscal position of the government, the GLHI would be mainly funded by private sector interest. The International Development Partners will provide support through key interventions, for example, Masterplan or key priority projects in the Hub.

The GLHI provides immense opportunity for the local private sector to invest and participate

  - Public offering
  - Participate in light manufacturing and assembly
  - Cargo handlers including truckers etc.
V. Conclusion

The GLHI is a game changing project with strong linkages and benefits for the average Jamaican, small and large firms and the country in general. It provides the opportunity for the emergence of a new sub industry and the expansion and modernization of existing industries and significant human capital development through the expansion of skills within the labour force. It is a catalytic project that will lead to more robust economic growth with employment opportunities at all levels of the value chain. This is an opportunity that Jamaica should seize and we all have a role to play as we work together to ensure “Jamaica becomes the place of choice to live, work, raise families and do business”