**Opening Remarks**

**By**

**Wayne Henry, PhD, JP**

**Director General**

**Planning Institute of Jamaica**

 **Labour Market Forum**

**April 11, 2018**

*Salutations:*

* Miss Antonette Richards – Chairperson, Community Development Specialist, PIOJ
* Dr the Honorable Ambassador Nigel Clarke, Minister of Finance and the Public Service
* Mr. Julian Robinson, Opposition Spokesperson on Information and the Knowledge Economy
* Mrs. Audrey Sewell CD, JP, Permanent Secretary, Ministry of Economic Growth and Job Creation
* Mrs. Therese Turner Jones, General Manager, Country Department Caribbean Group, Inter-American Development Bank & Country Representative for Jamaica
* Mr. Andrew Fazio, 3rd Vice President, Business Process Industry Association of Jamaica
* Mr Easton Williams, Director, Social Policy, Planning and Research Division, PIOJ
* Representatives from our International Development Partners
* Representatives from Ministries, Departments and Agencies
* Private Sector Organizations/Partners
* Other specially invited guests
* Ladies and Gentlemen,

Good morning,

The Planning Institute in collaboration with the Labour Market Information Technical Advisory Committee (LMITAC) and with sponsorship from the Inter-American Development Bank (IDB) is pleased to host the 10th staging of the Labour Market Forum which represents an important avenue for disseminating labour market information and more importantly, to generate dialogue on key labour market issues and develop practical solutions. Today’s forum is being held under the theme ***“Enabling Growth & Development: Exploring the potential of the Global Shared Services Sector”*** with emphasis placed on confronting issues and implementing solutions. Your attendance here today is a testament to the national drive to facilitate the expansion of the Global Shared Services Sector.

The Labour Market Forum has historically examined issues of critical import to labour market development such as unemployment insurance, labour market reform, and apprenticeship. Significant labour market developments which have emanated from past fora include modifications to the National Apprenticeship Program and the establishment and subsequent work of the Labour Market Reform Commission.

Human capital development is a core component of the Growth Agenda and a key priority identified under Vision 2030 Jamaica, evidenced by Goal 1 which seeks to ***empower Jamaicans to achieve their fullest potential*** through the attainment of four National Outcomes[[1]](#footnote-1) which include the provision of ***world-class education and training.*** This thrust towards the development of a knowledge based economy fosters greater reliance on the intellectual capabilities of a people and positions quality education and training as a potential source of national economic competitiveness.

The Global Shared Services Sector (GSS) is a key pillar in the economic growth and diversification strategy of Jamaica and:

* Employs approximately 26,000 persons (BPIAJ).
* Has approximately 60 firms operating in the market (BPIAJ).
* Generated Estimated revenue of US$400 million in 2016 (JAMPRO); and;
* Is on a growth trajectory. The Real Estate, Renting and Business Activities Industry, which contains a subset of the Business Process Outsourcing (BPO) sector has grown from 7.6 percent in 2006 to 10.3 percent in 2016 as a share of the Services Industry.

The positive trends observed in the domestic market are also evident globally. The key findings of Deloitte’s 2017 Global Shared Services Survey Report highlighted, *inter alia,* that:

* **Shared services centers (SSCs) deliver greater value annually**. In 2017, 73% of respondents reported shared services productivity increases of 5% or higher, up from 70% in 2015
* **Knowledge-based processes are on the rise.** While transactional processes remain predominant within the sector, the adoption of more complex, knowledge-based processes has doubled, or in some cases tripled, since 2013
* **Functional scope continues to expand**. The number of operators with more than three functions continues to rise dramatically, from 20% in 2013, to 31% in 2015, and 53% in 2017
* **Proximity is key**. While cost remains a top priority when establishing or relocating operations, organizations are increasingly emphasizing proximity to existing operations or headquarters. Locally, investors in the BPO sector have indicated that Jamaica’s proximity to North America is favourably viewed.

It is therefore evident that there is strong potential for the Global Shared Services sector to support both domestic and global growth. We recognize that: advancing the development of global shared services within Jamaica; while ensuring integration with other sectors; and concurrent improvements in the quality of labour available to the sector, is critical. This cohesive approach is evident in the Five Year Development Strategy for the Development of Jamaica’s Outsourcing Industry, which was approved by Cabinet in 2015.

One area in which the impact of global shared services has been most evident in Jamaica is the marked growth in the labour force which has been partly attributed to growth in the Real, Estate, Renting and Business Activities Industry and by extension the positive performance of the Business Process Outsourcing sector in Jamaica. We are particularly optimistic about the potential impact this positive performance can have on reducing youth employment in Jamaica, as the domestic BPO sector has demonstrated a strong inclination to hire persons in this age cohort. We are heartened by data from the October 2017 Labour Force Survey conducted by STATIN which revealed that unemployment as at October 2017 was 10.4 percent, the lowest rate recorded in ten years, that is, since October 2008 and the youth unemployment rate declined by 7.0 percentage points to 25.4 per cent relative to October 2016, representing the lowest rate recorded since January 2009.

The Government of Jamaica is committed to the continued pursuit and implementation of active labour market programmes and policies augmented with support from local stakeholders and International Development Partners. The PIOJ expresses gratitude to the IDB for their continued commitment to Jamaica in this area and for sponsoring this event.

It is my sincere hope that today’s event is both enlightening and rewarding as we advance and improve our National Apprenticeship Programme and by extension Jamaica’s labour market to meet national sustainable development imperatives. In closing, a labour market characterized by ***efficiency, equity, growth, and social justice*** will be a critical component in making Jamaica the “Place of choice, to live, work, raise families and do business”.

Thank you.

1. A Healthy and Stable Population, World-Class Education and Training, Effective Social Protection and Authentic and Transformational Culture [↑](#footnote-ref-1)