



**MINISTRY OF INDUSTRY, COMMERCE,  
AGRICULTURE & FISHERIES**



# **NATIONAL INVESTMENT POLICY OF JAMAICA**

## **GREEN PAPER**

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## 1.0 Abbreviations and Acronyms

ASYCUDA	Automated System for Customs Data
BERA	Business Environment Reform Agenda
BITS	Bilateral Investment Treaties
BOJ	Bank of Jamaica
CAGR	Compound Annual Growth Rate
CARICOM	Caribbean Community
CARIFORUM	Caribbean Forum
CITES	Convention on International Trade in Endangered Species
CSME	Caribbean Single Market and Economy
CRSR	Convention Related to the Status of Refugees
EGC	Economic Growth Council
ESSJ	Economic and Social Survey Jamaica
ESW	Electronic Single Window
EU	European Union
FCA	Fair Competition Act
FCGP	Jamaica Foundations for Competitiveness and Growth Project
FDI	Foreign Direct Investment
GCT	General Consumption Tax
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GFMD	Global Forum on Migration and Development
GLHI	Global Logistics Hub Initiative
GMG	Global Migration Group
GOJ	Government of Jamaica
ICT	Information and Communications Technology
IDB	Inter-American Development Bank
IDT	Industrial Disputes Tribunal
IIA	International Investment Agreement
IP	Intellectual Property
IPA	Investment Promotion Agency
JAMPRO	Jamaica Promotions Corporation
JCA	Jamaica Customs Agency
JCC	Jamaica Chamber of Commerce
JIPO	Jamaica Intellectual Property Office
LDI	Local Direct Investment
MCs	Municipal Corporations
MDAs	Ministries, Departments and Agencies
MEGJC	Ministry of Economic Growth and Job Creation
MICAF	Ministry of Industry, Commerce, Agriculture and Fisheries
MLS	Multiple Listing Service
MLSS	Ministry of Labour and Social Security
MNC	Multinational Corporations
MFAFT	Ministry of Foreign Affairs and Foreign Trade
MFN	Most Favoured Nation
MIND	Management Institute for National Development
MOH	Ministry of Health

MOT	Ministry of Tourism
MTF	Medium Term Framework
NBP	National Business Portal
NCC	National Competitiveness Council
NCST	National Commission on Science and Technology
NEPA	National Environment and Planning Agency
NIP	National Investment Policy
NIPTF	National Investment Policy Task Force
NLA	National Land Agency
OUR	Office of Utilities Regulation
PASMP	Protected Areas Systems Master Plan
PIOJ	Planning Institute of Jamaica
PIT	Project Implementing Team
PPP	Public-Private Partnership Programme
PSC	Policy Steering Committee
RCA	Revealed Comparative Advantage
SCT	Special Consumption Tax
SEZ	Special Economic Zone
SIDS	Small Island Developing States
SMEs	Small and Medium-sized Enterprises
SPF	Social Protection Floor
SRIP	Shovel Ready Investment Projects
STATIN	Statistical Institute of Jamaica
TAJ	Tax Administration Jamaica
TEF	Tourism Enhancement Fund
TWP	Temporary Work Permit
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
USAID	United States Agency for International Development
WB	World Bank
WTO	World Trade Organization

## 2.0 Executive Summary

The Government of Jamaica (GOJ) demonstrates its commitment to promoting economic growth and job creation through private investments with a clear, transparent and predictable framework for encouraging investments. The GOJ intends to adopt a National Investment Policy (NIP) to support this commitment. Under the leadership of a Cabinet established Policy Steering Committee (PSC), and with funding support from the Jamaica Foundations for Competitiveness and Growth Project (FCGP), consultancy support from Global Partners Consulting (GPC) and technical support from the Jamaica Promotions Corporation (JAMPRO), a draft Green Paper for the development of a National Investment Policy was prepared. The draft Green Paper is aimed at positioning Jamaica as a major player in the global investment community by streamlining the processes of investment attraction and facilitation.

This Draft Green Paper for the National Investment Policy of Jamaica describes the international and local context within which investment occurs, explains the main issues and challenges that the NIP seeks to address and explores recommended policy changes for resolving them. The aim is to shape a modern policy that provides a path for achieving the country's established goals and objectives for sustainable economic development. Through the NIP, the GOJ seeks to achieve the establishment of an enabling environment that facilitates private investments, which will contribute greatly to economic development. It is designed to ensure that a policy framework is in place to guide Government entities in offering support to sustainable and strategic investment planning that can mobilize investments that contributes to sustainable development.

Jamaica has been actively engaged in creating, managing, promoting, marketing and facilitating investment opportunities within a strong policy and legal framework for decades. Given Jamaica's track record and experience in the global and local investment marketplace, there is data and research that provides a backdrop for the context of attracting and facilitating investments. The National Investment Policy seeks to be a comprehensive framework that is deliberate in its efforts to better manage the development of Jamaica's investment climate, at the same time being guided by international best practices and norms. The Policy will reflect the country's current realities, as well as creating the structures necessary to achieve its desired future state, as outlined in Jamaica's Vision 2030, as *'the place of choice to live, work, raise families, and do business.'*

### VISION

The vision of the National Investment Policy is ***'Jamaica positioned as a major player in the global investment community driven by economic growth through sustainable development'***.

### GUIDING PRINCIPLES

The vision, policy statements, policy issues and recommendations outlined and discussed through the Policy are undergirded by five guiding principles.

- Business Efficiency
- Public Sector Cohesiveness
- Global Competitiveness
- Transparency
- Sustainability

## POLICY STATEMENTS

Policy statements that support the guiding principles and embody the government’s commitment to developing a NIP are as follows:

- 1) The Government of Jamaica is seriously committed to improving business conditions in the country in an effort to grow businesses.
- 2) In order to ensure a seamless investor experience, all public Jamaican entities (located in Jamaica or abroad) involved in investment promotion and facilitation will do so in keeping with the spirit and principles of the National Investment Policy of Jamaica and in coordination with the national investment promotion agency.
- 3) The Government of Jamaica has no restrictions on overseas investment by domestic enterprises (outward investment).
- 4) The Government of Jamaica makes no distinction between local and foreign investors, giving equal treatment to both classes of investors in keeping with the laws of the country.
- 5) The Government of Jamaica is ready to take bold decisions that facilitate and support ‘strategic’ investment projects deemed to be so whenever they arise.
- 6) The Government of Jamaica reserves its sovereign right to identify and define special investment regimes to promote the development of certain areas or economic activities it deems important to national development.
- 7) The Government of Jamaica is committed to growing industry and commerce in the country, particularly through the implementation of linkages programmes that connect local and foreign investors.
- 8) The Government of Jamaica is committed to partnering with the private sector to maximize the use of bilateral and multilateral agreements.

## KEY POLICY ISSUES, GOALS AND RECOMMENDATIONS

The following is an outline of the key policy issues addressed by the policy as well as the policy goals that underpins the Policy and the specific recommendations of the Policy.

*Table 1: Summary Policy Recommendations*

<b>POLICY ISSUE 1: <i>Coordinated National Approach to Sustainable Investment Planning</i></b>	<b>POLICY GOAL: <i>To strengthen mechanisms for a coordinated strategic investment planning framework that informs investment strategies, support inclusive sustainable economic development and is aligned to national development mechanisms</i></b>
<b>RECOMMENDATIONS:</b> <ul style="list-style-type: none"> <li>▪ Establish a formal national coordinated governance framework for sustainable investment planning to include setting up a specific oversight committee/body or designating a current national investment oversight mechanism with the responsibility;</li> <li>▪ Designate privately funded project as a ‘<i>priority project</i>’ on the basis of specific criteria and as recommended by the investment promotion agency and relevant Ministries, Departments and Agencies;</li> <li>▪ Ensure investment decision making processes adhere to current national sustainable development planning guidelines; and</li> <li>▪ Ensure local linkages and national entrepreneurship opportunities are integrated into investment promotion and facilitation strategies.</li> </ul>	
<b>POLICY ISSUE 2: <i>Access to Land and other GOJ Assets</i></b>	<b>POLICY GOAL: <i>To improve the framework for sustainable, productive and equitable development, use and management of the country’s land resources and other GOJ assets.</i></b>
<b>RECOMMENDATIONS:</b> <ul style="list-style-type: none"> <li>▪ Build a land bank with detailed information on all the land owned by the different government agencies which provides guidance on types of developments that can be supported on specified parcels of land (a system similar in concept to the Multiple Listing Service [MLS] system used by real estate agents);</li> <li>▪ Engage key partner Ministries and Agencies regarding prioritisation of the completion of the National Spatial Plan</li> </ul>	

<p>ensuring that it is comprehensively developed and informed by local development plans;</p> <ul style="list-style-type: none"> <li>▪ Centralize the divestment process within the National Land Agency (NLA). The control of the process is retained by the government entities owning land, but the NLA would be responsible for coordination and ensuring guidelines of the divestment process are followed;</li> <li>▪ Implement and enforce sale/lease contract agreements that requires investor performance against contractual obligations; and</li> <li>▪ Identify and address gaps in the Divestment and Public Privat Policy (PPP) policy areas such as lease of land and transfer of other assets, ideal for but not covered under either Policy.</li> </ul>	
<p><b>POLICY ISSUE 3: <i>Business Process and Environment Reforms</i></b></p>	<p><b>POLICY GOAL: <i>To provide a streamlined customer-centric investor experience across government that offers strategic guidelines to identify, facilitate and realize greater investments in the country through the deliberate efforts of government entities established to facilitate business</i></b></p>
<p><b>RECOMMENDATIONS:</b></p> <ul style="list-style-type: none"> <li>▪ A National Business Portal (NBP)<sup>1</sup> should be created as a virtual one-stop shop for investors wishing to i) ascertain how to do business in Jamaica, ii) obtain guidance of how to facilitate their investment and iii) make and monitor relevant applications;</li> <li>▪ Create a forum that allows Government agencies to freely and openly discuss potential investment projects in order to ensure transparency and openness in the facilitation of investors. The forum will also allow all relevant information to be discussed before guidance is given to the potential investor;</li> <li>▪ Investors should be mandated to register their investment projects with the Government of Jamaica to allow for <i>inter alia</i> transparency, feedback and guidance from relevant agencies, foresighting for Government projects that might be impacted by the project, and for forecasting the impact of the project on the economy;</li> <li>▪ Strengthened and transparent interinstitutional arrangements will be essential to support the success of business reform efforts;</li> <li>▪ High-level vision must be translated into key performance targets and detailed action plans at all levels, including for legislation;</li> <li>▪ Reinforce mechanisms for the integration of continuous private-sector feedback throughout the reform process; and</li> <li>▪ <b>Specific Recommendations for Reform of the Development Application Review Processes (DARP):</b> <ul style="list-style-type: none"> <li>○ Reactivate the public/private partnership between the GOJ and the Jamaica Chamber of Commerce (JCC) with the aim of updating the Agenda for Development Application Review Processes (DARP)<sup>2</sup>,</li> <li>○ Implement a strategic planning framework, to include performance management in the Municipal Corporations (MCs), and</li> <li>○ Undertake a business process review and possibly re-engineering of the development applications process, which may result in necessary organizational restructuring of MCs and amendments to key legislation</li> </ul> </li> </ul>	
<p><b>POLICY ISSUE 4: <i>Incentivising Investments</i></b></p>	<p><b>POLICY GOAL: <i>Maximize long-term benefits of private investments, where the benefits exceed the costs, and the costs of achieving given goals are kept to their lowest feasible level</i></b></p>
<p><b>RECOMMENDATIONS:</b></p> <ul style="list-style-type: none"> <li>▪ Rationalize incentives by evaluating each of the current incentive regimes to balance the higher revenues and social benefits with the indirect costs of incentives, the revenue losses from incentives and within the context of the global vs. local business environment;</li> <li>▪ Review and update, as necessary, the fiscal and non-fiscal incentive regime, so incentives are granted automatically based on clear eligibility criteria and putting in place best practices on the monitoring framework and other initiatives to maximize the rate of return of the incentives;</li> <li>▪ As a part of this monitoring framework, implement a reporting mechanism for all persons registered under an incentive regime to report annually on various metrics including, but not limited to, value of investments, number of jobs created, and level of revenues; and</li> <li>▪ Explore other incentive mechanisms such as those that support sustainable development priorities including minimising carbon footprints and other regimes.</li> </ul>	

<sup>1</sup> The National Business Portal (NBP) will complement and support implementation of the policy through the development of an online platform that will house the Business-to-Government online interface for all government entities involved in the investment or business facilitation process.

<sup>2</sup> The partnership was created under the Legislation, Regulations and Process Improvement Project (Legs and Regs), initially funded by the United States Agency for International Development (USAID).



<b>POLICY ISSUE 5: <i>Logistics-Centred Economic Growth</i></b>	<b>POLICY GOAL: <i>To strengthen Jamaica's economic position and broaden investment growth opportunities through the Global Logistics Hub Initiative</i></b>
<b>RECOMMENDATIONS:</b> <ul style="list-style-type: none"> <li>▪ Increase market access through the ability to connect with other hubs and - international markets, which are already of interest to global operators;</li> <li>▪ Highlight Jamaica's global strategic positioning that contextualizes the country's location, including an assessment of the distances and travel times to major world waterways;</li> <li>▪ Address customs-related regulatory obstacles by way of a new customs law that would focus on facilitating the efficient processing of customs-related transactions and encourage voluntary compliance with customs laws and procedures;</li> <li>▪ Increase the efficiency of port logistics processes;</li> <li>▪ Guarantee a competitive equitable environment compared to other Special Economic Zones (SEZs) in Central America, the Caribbean and Asia;</li> <li>▪ Optimise efficiency against regulations in a bid to control zone activities;</li> <li>▪ Identify additional areas and expedite development of areas for site locations that require minimal capital expenditures by potential investors and develop them with appropriate infrastructure and adequate facilities.</li> </ul>	
<b>POLICY ISSUE 6: <i>Labour and Immigration</i></b>	<b>POLICY GOAL: <i>To spur investments and respond to the needs of investors through Immigration and Labour service delivery.</i></b>
<b>RECOMMENDATIONS:</b> <ul style="list-style-type: none"> <li>▪ Establish an arrangement whereby major strategic projects could use external labour to get started if they meet these criteria, including a lack of local skilled labourers, clear economic benefit, a transfer of skills/technology;</li> <li>▪ Implement a strategic economic residence programme that facilitates direct investments</li> <li>▪ Upgrade the national job bank to contains different labour market information (graduates and professionals available by career, employment by career, availability of skilled labour, parish information, etc.);</li> <li>▪ Request that the Planning Institute of Jamaica (PIOJ), in collaboration with the relevant GOJ entities, track labour indicators in Jamaica (technology transfer, productivity of the workers per sector and skills available);</li> <li>▪ Create an Investor Visa to allow for the easier movement of bonafide investors;</li> <li>▪ For work permits and visa requests/ processing, develop an online system that will house the Business-to-Government online interface for all government entities involved in the Permitting and Visa facilitation processes; and</li> <li>▪ Apply the principles and guidelines of the National Policy on International Migration and Development when it comes to international agreements on labour and immigration.</li> </ul>	
<b>POLICY ISSUE 7: <i>International Trade</i></b>	<b>POLICY GOAL: <i>To strengthen mechanisms for trading across borders that will support national economic growth</i></b>
<b>RECOMMENDATIONS:</b> <ul style="list-style-type: none"> <li>▪ Improve compliance with quality standards, sanitary and phytosanitary (SPS) as well as other measures, especially with respect to food and agro-processed products;</li> <li>▪ Improve the use of preferential tariffs while improving competitiveness in preparation for reciprocal trade;</li> <li>▪ Improve compliance with international and regional standards through improving the National Quality Infrastructure</li> <li>▪ Encourage the development of new products that have a high Revealed Comparative Advantage (RCA) with markets that offer a high potential for growth of imports and dynamism; and</li> <li>▪ Leverage the provisions of the Foreign Trade Policy to drive access to foreign markets for goods and services.</li> </ul>	
<b>POLICY ISSUE 8: <i>Intellectual Property</i></b>	<b>POLICY GOAL: <i>To strengthen the policy framework for safeguarding Intellectual Property in keeping with international standards</i></b>
<b>RECOMMENDATIONS:</b> <ul style="list-style-type: none"> <li>▪ Support the enactment and implementation of the new Patents and Designs Law to encourage innovation;</li> <li>▪ Encourage the registration of patent, not only by foreigners but also by Jamaican innovators. This is consistent with expectations stemming from the Logistics Hub and the SEZ Initiative, which encourages joint ventures involving the technology sector and knowledge-based industries; and</li> <li>▪ Prioritise Jamaica's accession to the Madrid Protocol.</li> </ul>	
<b>POLICY ISSUE 9: <i>Promotion and Marketing</i></b>	<b>POLICY GOAL: <i>Through application of current and cutting-edge strategies and technologies, position Jamaica as the investment destination of choice in the Caribbean Region for international companies and investors</i></b>
<b>RECOMMENDATIONS:</b> <ul style="list-style-type: none"> <li>▪ Design and implement a sound investment promotion strategy as per international best practices which is shared and consistently implemented by all relevant Government agencies;</li> <li>▪ Create a framework for the development of an economic diplomacy programme focussed on maximising the presence of Foreign Service Offices (FSOs) in target investment markets by using them to reach out to potential investors</li> <li>▪ Revisit and enhance the maintenance of an investor map that will provide an electronic platform for showcasing land</li> </ul>	

parcels available and recommended types of development for each parcel;	
<ul style="list-style-type: none"> <li>▪ Design and implement an awareness campaign among different government stakeholders, including overseas missions, who interact with investors to foster a sense of urgency when dealing with investors and encourage professional, high-quality service delivery; and</li> <li>▪ Introduce and strengthen a culture/ idea among high government officials that makes them aware of the need to be prepared to make enterprising decisions to support strategic investment projects when they arise.</li> </ul>	
<b>POLICY ISSUE 10: <i>Protection of Investor Rights</i></b>	<b>POLICY GOAL: <i>To encourage innovation and investment by domestic and foreign firms through stronger frameworks for effective enforcement and guaranteeing protection of investor rights in Jamaica</i></b>
<b>RECOMMENDATIONS:</b> <ul style="list-style-type: none"> <li>▪ Define a policy position for resolving disputes between Jamaica and private foreign investors (investor state dispute settlement).</li> </ul>	

## GOVERNANCE AND IMPLEMENTATION FRAMEWORK

The implementation of the National Investment Policy of Jamaica is a critical process that requires the highest level of direction, coordination, execution and communication among the various Government Ministries, Departments and Agencies (MDAs) that deal with investment matters in order to be successful.

The Governance framework for the implementation of the NIP has three levels, namely: Direction; Coordination and Execution. The highest level (Direction) will be coordinated by a National Investment Policy Task Force (NIPTF) led by the Prime Minister and comprising the Minister with portfolio responsibility for investment as well as all relevant sector Ministers and heads of relevant Agencies. The Task Force will be responsible for overseeing and taking the necessary actions in order to guarantee that the different activities of the Action Plan and Monitoring Mechanism are completed, and the results achieved within the planned time frame. The Task Force will focus on directing, enabling and safeguarding operations.

For each of the other levels, there are government agencies that participate with specific roles and responsibilities. The integration and functioning of the three levels are crucial for the success of the NIP. The implementation of the NIP requires coordination by the national investment promotions agency, with cooperation among all actors involved in attracting FDI into Jamaica so as to position the country as an attractive investment destination through image-building activities, investment generation, investor servicing/facilitation and policy advocacy. The policy names key partner ministries, agencies and other stakeholders that will have roles to play in supporting implementation.

## 3.0 Introduction

### 3.1 Background and Rationale

The GOJ is committed to positioning Jamaica as a major player within the global investment community by establishing a positive environment for mobilizing private investments to fuel the country's economic progress. The *National Development Plan: Vision 2030* acts as the programmatic framework for formulating and implementing policies and strategies that encourage private investments. The aim is to put Jamaica in a position to achieve developed country status by 2030.

Under Vision 2030, the GOJ is working to improve the business environment by enhancing the institutional and regulatory framework for business, investment and operations; developing efficient local and external markets for goods, services, labour and capital; and improving opportunities for micro, small and medium-sized enterprises. As part of this National Development Plan, public-private partnerships are expected to play a key role in developing strong economic infrastructure and in building a logistics-centred economy—both of which are key national strategies for raising Jamaica's global investment profile.

While the Vision 2030 Plan articulates the country's overall development strategy, the National Investment Policy focuses on the encouragement and facilitation of private investments and the policy framework that affects investments. It is designed to ensure that a policy framework is in place to support sustainable and strategic investment planning and mobilize investment that contributes to sustainable development. The NIP is an economic blue-print aimed at increasing efficiency and effectiveness among MDAs for attracting and facilitating investments. It represents a new, transformational initiative of the Government of Jamaica aimed at reforming and revolutionizing the country's investment landscape by providing a practical framework for facilitating private investments and coordinating the efforts of all agencies involved in promoting investment in Jamaica.

Attracting and facilitating investments in Jamaica relies heavily on creating the environment for sustaining private investment inflows. In this regard, the country is determined to take sustainable measures to attract larger Foreign Direct Investment (FDI) inflows and improve the business climate. In 2015, the United Nations Conference on Trade and Development (UNCTAD) gave international investment policy advice that guides Governments on the path of establishing proactive and investment friendly policies in their bid to achieve sustainable development.

In keeping with this global direction, the country has demonstrated this commitment over the last 10 years by reforming more than 50 business processes and approving legislation for simplifying government processes that affect private companies' investment cycles. These include (i) creating a new Special Economic Zone Act aimed at attracting large and medium-sized corporations eager to benefit from trade flows that pass through the Caribbean region as part of global value chains, (ii) making it easier to start a business by streamlining internal procedures, (iii) implementing an automated customs data management system that allows for expediting of documentary compliance for exporting; and (iv) introducing ASYCUDA World, which automates the collection of customs management data. In most of the cases, as shown in this Green Paper, these initiatives are aligned with international best practices for the attraction of private investments. In cases where there are gaps or areas for improvement, this Green Paper makes appropriate recommendations.

## 3.2 Key Definitions and Terms

### *Investment definitions and terms*<sup>3</sup>

It is important to clearly explain key definitions and terms that are common to investment policies and establish the working definitions and terms for the policy. The terms on investments are the set of aspects relevant to both domestic and foreign investments in Jamaica. The terms are relevant not only to understand the subjective and objective areas of treatment provided for in the policies and legal framework on investment of the country but also to compile, measure and analyze investment flows and also to have an initial approach with the main policies and strategies on private investment in the country.

**Branch, Direct Investment Enterprise:** Unincorporated enterprises wholly or jointly owned by a non-resident investor.

**Capital goods:** tangible assets such as buildings, machinery, equipment, vehicles and tools that an organization uses to produce goods or services in order to fabricate consumer goods and goods for other businesses.

**Direct investment:** the investment in a company incorporated under the laws of Jamaica with the aim of acquiring control or exercising significant influence in its management. The investor demonstrates his intention to achieve a long-term interest in the acquisition of the share capital of the company.

**Distributed earnings:** Consist of dividends and distributed branch profits. Distributed earnings can be paid out of current or past earnings and may result in negative reinvested earnings if the distribution of dividends exceeds total earnings in a particular reference period.

**Dividends:** Earnings distributed to shareholders from common and participating preferred stock, whether voting or non-voting, according to the contractual relationship between the enterprise and the various types of shareholders, before deduction for withholding taxes. Dividends exclude liquidating dividends and bonus shares (which are dividends in the form of additional shares of stock). These can be recorded on the date they are payable, on the date they are paid, or at some other point in time. The Benchmark Definition recommends recording dividends on the date they are payable.

**Foreign Direct Investment (FDI):** a category of investment that reflects the objective of establishing a lasting interest by a resident enterprise in one economy (direct investor) in an enterprise (direct investment enterprise) that is resident in an economy other than that of the direct investor. Also referred to as inward direct investment in the reporting economy.

**Foreign Direct Investor:** An entity (an institutional unit) resident in one economy that has acquired, either directly or indirectly, at least 10% of the voting power of a corporation (enterprise), or equivalent for an unincorporated enterprise, resident in another economy. A direct investor could be classified to any sector of the economy and could be any of the following:

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<sup>3</sup> The investment terms defined in this section are based on: (i) The OECD: Glossary of Statistical Terms; (ii) United Nation Conference on Trade and Development, UNCTAD and (iii) OAS: Dictionary of Trade Terms.

(i) an individual; (ii) a group of related individuals; (iii) an incorporated or unincorporated enterprise; (iv) a public or private enterprise; (v) a group of related enterprises; (vi) a government body; (vii) an estate, trust or other societal organization; or (viii) any combination of the above. In the case where two enterprises each own 10% or more of each other's voting power, each is a direct investor in the other. A direct investor has a direct investment enterprise operating in a country other than the economy of residence of the foreign direct investor.

**Global Logistics Hub Initiative (GLHI):** A fundamental strategy for the mobilization of private capital focused on integrating local businesses into global and regional supply chains. The GLHI features as a key national development strategy and as a bold response to raise Jamaica's global investment profile.

**Gross fixed capital formation:** Measured by the total value of a producer's acquisitions, less disposals, of fixed assets during the accounting period plus certain specified expenditure on services that add to the value of non-produced assets.

**Host Economy:** the country that receives FDI from the foreign investor(s).

**Home Economy:** the country of origin/residence of the company that invests in the foreign economy/host economy.

**Income, Direct Investment:** Consists of earnings on equity investment (for example, a resident direct investor's share in the net income or earnings of its direct investment enterprises) plus income on the debt between direct investors and direct investment enterprises and between fellow enterprises. Direct investment income payables are calculated in a similar way. Direct investment income is recorded as it accrues. However, as debt instruments involving FDI-related financial intermediaries are excluded from direct investment, so is the debt income between them.

**Indirect investment:** the investment in a company incorporated under the laws of Jamaica without the investor's objective of acquiring control or exercising significant influence in its direction.

**Investments<sup>4</sup>:** Every kind of asset invested by both national and foreign investors in accordance with the laws and regulations of Jamaica. Therefore, this is a broad definition and includes the following illustrative list:

- (a) movable and immovable property and other property rights;
- (b) shares in companies or other forms of interest in such companies;
- (c) a claim to money or to any performance having an economic value;
- (d) copyright, industrial property rights, know-how and technological process;
- (e) concessions conferred by law;

Investment, however, does not include the following:

- (a) a debt instrument;

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<sup>4</sup> See recommendation for the use of a broad assets-based definition of Investments for Jamaica in the Pre- and Post- Establishment Section of this NIP.

- (b) claims to money that arise solely from commercial contracts for the sale of goods and/or services;
- (c) and any intangible asset or other claims to money that do not involve at least one of the types of interests as set out in paragraph (a) through (e) above;

**Investor:** A natural person and economic entities established in accordance with the laws of Jamaica who implement investments in their territory.

**Local Direct Investment:** a category of investment that comes from a Jamaican natural person or a company, or from foreigners residing in Jamaica, whose capital is invested in the country with the intention of having a lasting interest in the development of a business. This investment can be made through participation in other companies already established in accordance with Jamaican law.

**Multinational Companies (MNCs)/ Transnational corporations (TNCs):** Both terms are used indistinctly to define incorporated or unincorporated enterprises comprising parent enterprises and their foreign affiliates. A parent enterprise is defined as an enterprise that controls assets of other entities in countries other than its home country, usually by owning a certain equity capital stake.

**National Investment Policy:** The actions of the Government of Jamaica aimed at responding to the diverse demands of society through the constant improvement of an investment climate that encourages investment decision-making in the country.

**Outward Direct Investment:** investment by a resident direct investor in a non-resident direct investment Enterprise. The direction of the influence by the direct investor is “outward” for the reporting economy. Also referred to as direct investment abroad.

**Pre-establishment:** the entry of investments and investors of a Party (member country of a trade or investment agreement) into the territory of another Party. Each Party allows investors of other Parties to establish an investment in their territory on terms no less favourable than those that apply to domestic investors (national treatment) or investors from third countries (most-favoured-nation treatment). In the case of the provision on performance requirements, pre-establishment refers to the prohibition of imposing certain performance requirements as a condition for the establishment of an investment.

**Post-establishment:** the operation of an investment. It guarantees that foreign investors and their investments (those of another member country of the trade or investment agreement), once established or admitted, are treated no worse than domestic investors and their investments (national treatment) or any other foreign investors and their investments (most-favoured-nation treatment).

**Portfolio investment:** Covers the acquisition and disposal of equity and debt securities that cannot be classified under direct investment or reserve asset transactions. These securities are tradable in organised financial markets.

**Public-Private Partnerships:** a long-term procurement contract between the public and private sectors, in which the proficiency of each party is focused in the designing, financing, building and

operating an infrastructure project or providing a service, through the appropriate sharing of resources, risks and rewards. The definition is limited to assets of high value and areas where the Government is faced with fiscal constraints and is obligated to provide the infrastructure service.

**Public-Private Partnerships Policy:** The Policy intended to provide a framework for Government of Jamaica officials to identify, develop, and implement Public-Private Partnerships (PPPs).

**Reinvestment of earnings/reinvested earnings:** Refer to earnings on equity accruing to direct investors less distributed earnings, proportionate to the percentage ownership of the equity owned by the direct investor(s). Reinvested earnings are included in direct investment income because the earnings of the direct investment enterprise are deemed to be the income of the direct investor (proportionate to the direct investor's holding of equity in the direct investment enterprise), whether they are reinvested in the enterprise or remitted to the direct investor. Because reinvested earnings are not distributed to the direct investor but rather increase the direct investor's investment in its affiliate, an entry that is equal to that made in the direct investment income account but of opposite sign is entered in the direct investment transactions account. In the direct investment income account, this transaction is referred to as "reinvested earnings," while in the direct investment transactions account, this transaction is referred to as "reinvestment of earnings."

**Returns:** The amounts yielded by investments, such as profits, dividends, interests, royalties or other legitimate income.

**Special Economic Zones (SEZ):** Geographic areas of Jamaica designated as Special Economic Zones and being classified as General Zones or Specialized Zones. In the latter case, the Zones are limited to specific economic activities such as maritime or aviation related zones, for example, dry docks, bunkering facilities, aircraft maintenance and repair or tank farms.

**Subsidiary, Direct Investment Enterprise:** A direct investment enterprise: (i) in which an investor owns more than 50% of its voting power i.e. it is controlled by the investor; (ii) Where an investor and its subsidiaries combined own more than 50% of the voting power of another enterprise, this enterprise is also regarded as a subsidiary of the investor for FDI purposes.

## 4.0 Situational Analysis

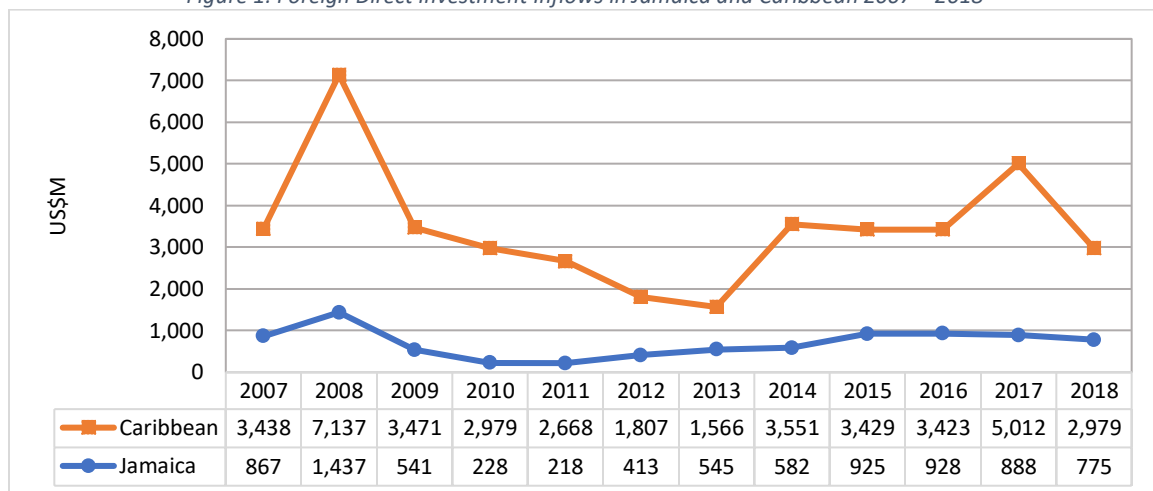
Jamaica has been actively engaged in creating, managing, promoting, marketing and facilitating investment opportunities within a strong policy and legal framework. Given Jamaica’s track record and experience in the global and local investment marketplace, there is data and research that provides a backdrop for the context of investments for more than a decade. To this end this situational analysis documents recent FDI trends, modalities of investment, impact of investments on the economy and trends in the Jamaican business environment.

### 4.1 Foreign Direct Investment Trends

As with most countries, the Jamaican economy saw a contraction in FDI starting from 2008 and continued with a steady decline thereafter for four years. Since 2013, there has been a steady increase in FDI across the Caribbean and Jamaica, although in recent years there has been a slight decline.

The World Investment Report 2019 noted the continued decline of global FDI, recording a 13% fall to US\$1.3 trillion in 2018. Notwithstanding the global average the Caribbean and Latin American region only saw a 6% decline during the period, while FDI flows to Small Island Developing States (SIDS) group fell with an 11 percent contraction among SIDs in the Caribbean. Within this context Jamaica saw a 13% decline – falling from US\$888 mn to US\$775 mn – which is in keeping with the general trends of decline over the period.

Figure 1: Foreign Direct Investment Inflows in Jamaica and Caribbean 2007 – 2018



Source: Bank of Jamaica

#### 4.1.1 Foreign Direct Investment and Gross Domestic Product (GDP) Trends

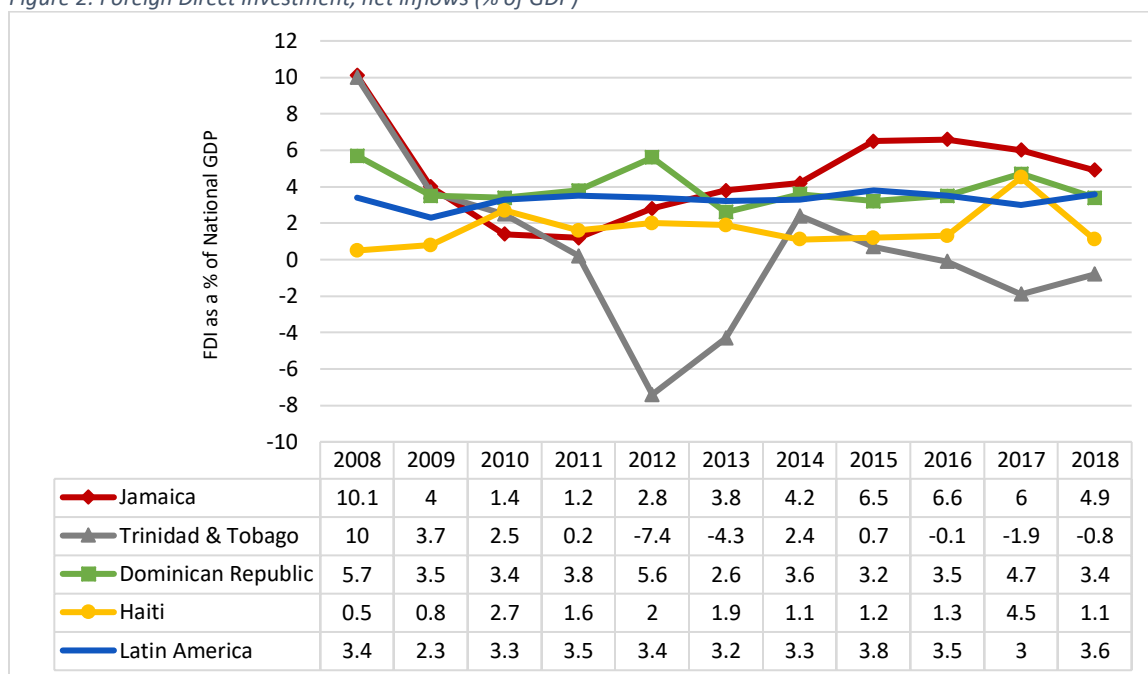
Recovering from the 2008 recession FDI has been playing an increasingly important role in Jamaica’s economy. In 2011, the post-financial period, FDI represented 1.2% of the country’s GDP, whilst in 2017 FDI represented 6% of GDP recording a steady increase. Different components can help explain part of this changing pattern in the attraction of FDI. These include (i) general global trends on FDI flows determined by financial markets, competition and political stability; (ii) the development of global value chains where the parts of a specific product are



manufactured and assembled in different countries; (iii) an economically and politically stable environment in Jamaica conducive to private investment and (iv) improvements in Jamaica’s business environment.

Another way to view the increasing role of FDI in Jamaica is to compare it with the region. While in 2010 Jamaica’s FDI to GDP ratio was lower than that of Latin America and the Caribbean region, which for 2010 was 3.3%, this changed in 2018 when Jamaica’s FDI to GDP ratio surpassed that of the region, with FDI representing 4.9% of the GDP in the Jamaican economy. Despite this growth, Jamaica will still have to deal with strong competition in the attraction of FDI within the region, such as from the Dominican Republic, Haiti and the fast-rising economy, Panama — which have exhibited excellent results in a variety of services over recent years. Jamaica’s progress in terms of investment attraction is notable, but the race is still far from over and a more targeted effort will be required to realise the potential of the country’s investment product.

Figure 2: Foreign Direct Investment, net inflows (% of GDP)



Source: World Bank - World Development Indicators

#### 4.1.2 Modality of Investment, Sector and Country of Origin

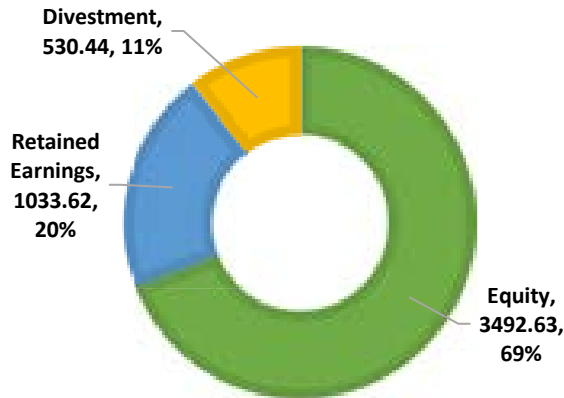
In terms of the modality of investment, the country of origin and the main beneficiary sectors of FDI into Jamaica, the following can be said:

- **Modality of Investment:** Equity Capital has traditionally been the main source of inward investment for Jamaica, averaging 69% of the total inward FDI between 2012 and 2018. This was followed by Reinvested Earnings,<sup>5</sup> with an average proportion of the total inward FDI of

<sup>5</sup> Reinvested Earnings is the percentage of net earnings not paid out as dividends but retained by the company to be reinvested in its core business or to pay debt.

20%. In recent years, the divestment of the Kingston Container Terminal along with other minor assets has led to an upsurge of Divestments earnings resting at 11% for the period compared to 0% for the period 2003-2011.

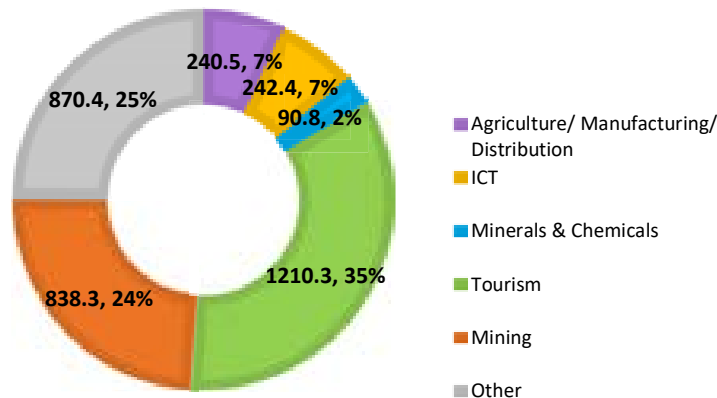
Figure 3: Foreign Direct Investment Inflows in Jamaica By Modality of Investment (US\$M) 2012-2018



Source: Bank of Jamaica

- Sector Performance of FDI:** Regarding the main beneficiary sectors, Tourism, and Mining received most of the overall FDI inflows in the last 10 years with an average of 35% and 24% respectively. This is followed by the Information Technology & Communications Sector and the Agriculture/Manufacturing/Distributions Sector tying at 7%. During the same period, Mining and Chemicals represents only 2% of the overall inward investments.

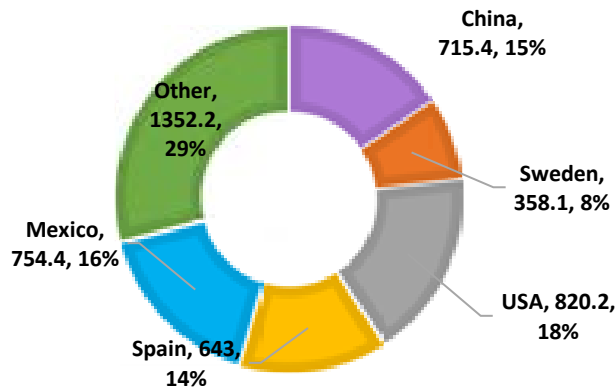
Figure 4: FDI Inflows in Jamaica by Sector 2012-2018



Source: Bank of Jamaica

- Country of Origin:** In the last seven years, the top five countries that have been home to investors investing in Jamaica have been (i) USA, (ii) Mexico, (iii) China, (iv) Spain and (v) Sweden. New Fortress Energy out of the USA has been instrumental to that country being the leader, while Mexico's placing has been influenced by tourism investments by major chains such as Palace Resorts and Karisma, and investments Chinese firms Jiuquan Iron and Steel Company (JISCO) and China Harbour Engineering Company (CHEC) makes China Number three on the list.

Figure 5: FDI Inflows in Jamaica by Country of Origin (US\$M) 2013-2018



Source: Bank of Jamaica

#### 4.1.3 Impact of Investment in Jamaica

The impact of private investment (both international and local) in a country's economy can be measured in various ways. Economic theory and empirical studies around the world confirm that FDI is a positive element that in most cases supports growth and diversification in developing countries. In general, these studies prove that FDI is the most efficient way to integrate a developing country into a world economy.

FDI indeed facilitates the path to re-specialization, going from resource-based industries towards manufacturing and service activities. It also allows improvements in the export capacity and technological modernization in the firms where the investment is allocated. This is mainly thanks to transnational companies that bring to the country their international networks and abilities to import and export.<sup>6</sup>

The economic benefits obtained from FDI and LDI seem to vary by sectors. In primary sectors, FDI and LDI might even cause negative impact on growth, and it is not clear how positive the impact is on growth when FDI and LDI are only allocated in service sectors. However, evidence from the secondary sector is solid regarding FDI, which means that FDI in manufacturing definitively supports growth. Nevertheless, the net effect of FDI on the host economy depends on varied factors, not only on the size of the flows. Among other elements, some researches point to the scale of the initial FDI, intensity of labour and technology in the companies receiving it, the level of human capital in the host country, reinvestment of transnational firms and the extent of local inputs and services procured by the entering companies.

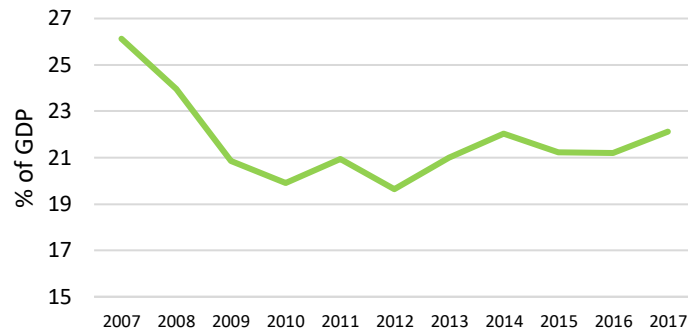
<sup>6</sup> Romanian Journal of Economic Forecasting, April 2009. Institute of Economic Forecasting; Romanian Journal of Economic Forecasting, April 2009. Institute of Economic Forecasting; The Road to Sustained Growth in Jamaica. A World Bank Country Study. 2004.

The World Bank's analysis of Jamaica's FDI and GDP growth over the 1990s identified low measured GDP growth despite high investment rates during that decade. Researchers concluded that GDP was underestimated due to high intensity of services and informal economy. With more accurate measuring techniques, GDP growth would be higher over those years and the direct relation between FDI and GDP would be stronger. However, investment was concentrated in few areas, including crime prevention and reduction, which caused relatively low direct impact on GDP.<sup>7</sup>

The impact of FDI on Jamaica is evident. The indicators described below show this impact.<sup>8</sup>

- GDP:** Jamaica's economy has performed better during the last five years, as from Figure 6 below it is observed that there has been a steady increase from the financial crisis. This pattern is similar to the performance of FDI inflows in the country, where FDI inflows contracted at an annual CAGR of -6.14% between 2007 and 2011 and grew at a CAGR of 15.43% between 2012 and 2016. The impact of FDI on the economy's growth between 2006 and 2011, when FDI as a percentage of GDP was shrinking, seems to be low.

Figure 6: Gross Fixed Capital Formation (% of GDP) 2007-2017



Source: The World Bank

- Gross Fixed Capital Formation (GFCF):** The economic climate in Jamaica based on the country's performance in both GDP growth and FDI recovery has been on a steady climb since the post-crisis period, as illustrated in the figures above. The trend is in keeping with that seen for GFCF, as such the impact of GFCF on the Jamaica economy has also reflected this. In the last five years, GFCF has shown a growth pattern similar to the pattern of FDI inflows, coming to 21.23% of GDP in 2016<sup>9</sup>. Still there is room for improvement if the country wishes to achieve the pre-crisis levels of GFCF.

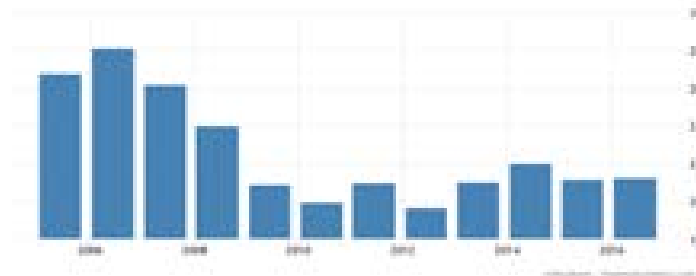


Figure 7: Gross Fixed Capital Formation as a % of GDP (2005 – 2016)

Source: <https://tradingeconomics.com>

<sup>7</sup> Foreign Direct Investment on Growth: Does the sector matter? Harvard Business School.

<sup>8</sup> Unfortunately, national statistics in Jamaica does not reflect the performance of local direct investment although there is anecdotal evidence to suggest that in the last three to five years, investment by local companies or investments facilitated by the local banking sector have become more and more significant in the country's economic performance. As a result, however, much of the data-driven analysis refers to the interaction between FDI and economic growth factors, such as GDP or GFCF.

- **Technology and Innovation:** The effect of higher FDI in the field of technology and innovation can be shown through two indicators for which there is information available: (i) the number of patents submitted in Jamaica and (ii) the capacity of innovation of Jamaica. Based on the Networked Readiness Index by the World Economic Forum, there is a positive correlation between Jamaica’s innovation capacity and FDI inflows according to the data of the past decade. The index, which ranges on a scale from 1 to 7, placed Jamaica at 3.86 in 2012 out of 142 countries<sup>10</sup>, but progressively increased the country to 4.10 in 2017, when the country ranked 76<sup>th</sup> for that metric. In the most recent report of the Global Competitiveness Index 2019, the metric changed to ‘ICT Adoption’, for which Jamaica’s rank declined to 93 with a score of 47.6.<sup>11</sup>
- **Employment:** Investment expenditure contributes significantly to economic growth and employment. In the case of Jamaica, a review of the performance of the FDI flows and the employment rate shows that after the significant contraction of the employment rate that started in 2007, Jamaica’s employment rate started to grow again in 2013. This positive trend coincides with the FDI inflows growth that started in 2011, when FDI also started to have more impact on the country’s GDP. In October 2019, Jamaica’s unemployment rate dipped to 7.2%, the lowest in decades, which continues to be a testament to the country’s recovery of FDI.
- **Exports:** Between 2008 and 2012, exports and FDI inflows showed a similar pattern. Both indicators declined between 2008 and 2011, but whereas FDI started to recover in 2012, exports remained depressed over the period leading up to 2017. However, with the Chinese investments in the country’s mining sector in 2016, there was a sharp increase in exports in 2018 by 34% as a direct result of the FDI received two years earlier. This speaks to the point that the type of investment experienced, and a deliberate strategy to attract export-led investment, can have a positive impact on the country’s export performance. Notwithstanding this however, the mining industry suffered a blow with the closure of the JISCO factory in late 2019 and the negative impact on exports is expected.

It should also be noted however, that the ongoing growth of investments in sectors such as tourism, which have an historical link to imports of manufactured items during the construction phase, and food items during the operational phase, can negatively impact the country’s trade balance, especially if there are no strong linkages programme to drive the absorptive capacity of local companies.

#### *4.1.4 Trends in Jamaica’s Business/Investment Climate*

With the objective of making Jamaica a more attractive location for private investment, successive Jamaican Government administrations have introduced several policy and regulatory

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<sup>9</sup> Although identifying FDI as a determinant in the growth of GFCF would require an econometric analysis that is beyond the scope of this paper, one can note different factors that, combined, could be said to have contributed FDI growth to GFCF. The growth of FDI as a percentage of GDP in the last five years and the growth of FDI inflows in the same period certainly had a direct impact on GFCF in Jamaica.

<sup>10</sup> Source: [http://www3.weforum.org/docs/GITR/2012/GITR\\_OverallRankings\\_2012.pdf](http://www3.weforum.org/docs/GITR/2012/GITR_OverallRankings_2012.pdf)

<sup>11</sup> The World Economic Forum scoring system was subsequently amended in the report. All indicators are now given a score of 0-100, rather than the 1-7 range used previously.

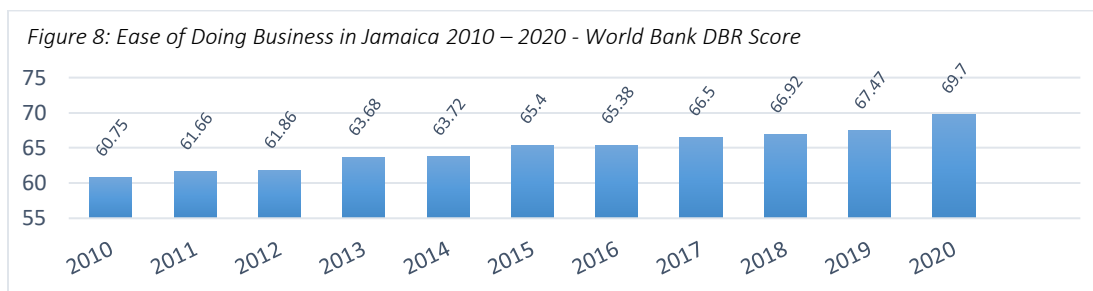
reforms. In fact, over the past 10 years Jamaica has implemented more than 50 business processes reforms and legislation/policy changes in the last 10 years. By analyzing the track record of the past 10 years, it is evident that Jamaica is deeply committed to improving business conditions and is following international best practices to facilitate business and attract more LDI and FDI.<sup>12</sup>

Steps taken to improve the country’s business climate include tax reform that aim not only to raise tax revenues but also to simplify tax procedures and payments. Jamaica is also consistently working on a Doing Business Reform Agenda that focuses on improving the country’s ranking and, through initiatives such as streamlining development approvals, facilitating the business start-up process, increasing access to capital and improving trading across borders with the National Competitiveness Council (NCC) as the secretariat for the reform initiatives.

It cannot be directly assumed that these reforms have impacted more FDI inflows, but the country’s progress can be noted in the recent improvements in two International Competitiveness Indexes, namely the Global Competitiveness Report and the Ease of Doing Business Report.

After five years of continuous decline or stagnation, in 2014 the business climate in Jamaica began to improve. As shown in the table below, Jamaica’s ranking followed two consecutive years of rapid ascension after it placed six spots above its 2015 ranking to 65 in 2016. Now at position 71 in the Doing Business Report 2020, Jamaica’s current ranking is three places better than Costa Rica, which is still viewed as one of the fastest-growing economies in the Latin American and Caribbean region.<sup>13</sup> Most notably, Jamaica currently ranks at #6 in the world for ‘Starting a Business’ and #15 for ‘Getting Credit’.

In the Global Competitiveness Report, within the last six years Jamaica has shown consistent improvement on its ranking, moving from position 97 of 144 countries in 2012 to position 70 of 137 countries in 2017. However, with a change of methodology in the 2018 report, Jamaica’s ranking for 2017 was normalised at 78<sup>th</sup> and the country fell two places to rest at 80<sup>th</sup> out of 141 countries in 2019. A few indicator areas declined including ICT Adoption (as noted earlier) and Skills, but in large the country experienced an improved ranking in all other areas including Business Sophistication, Institutions, Innovation and Infrastructure.



<sup>12</sup> For a detailed list of the Legislation and Policy Changes since 2008, please see Annex 1.

<sup>13</sup> It is important to mention that for 2017, the Doing Business publication adjusted its methodology. Therefore, as stated by the World Bank, 2017 rankings cannot be directly compared with those for 2016.

It should be noted that despite the recent decline in rankings, Jamaica continues to record significant reforms and have shown improvements in the absolute measures utilised by World Bank and the World Economic Forum, as evidenced by the DBR scored in Figure 8 above. This reinforces the need for the Government of Jamaica to not only implement reforms, but to do so in a timely manner to remain competitive vis-à-vis other global players.

A system monitoring the impact of different indicators over time, with the cooperation and involvement of different agencies, would provide more precise conclusions as to what factors are having more impact on the attraction of FDI.

## 4.2 Current Plans, Policies, Strategies and Legislation

In Jamaica, the flow of FDI into the country has been growing in recent years given a combination of factors including improvement of the world's financial markets and the advancement of better business conditions in the country. The GOJ has decided to deepen business climate reforms to facilitate investment that promote sustainable economic growth. This policy evaluates the plans, policies, strategies and legislation that are part of Jamaica's investment regulatory framework and makes recommendations to improve the investment climate by closing regulatory gaps.

Many developing countries regulate FDI explicitly by enacting investment codes or passing laws that deal with the establishment of public investment boards or similar institutions. Others have not enacted FDI-related legislation, instead, they have enacted industry-specific laws which regulate FDI<sup>14</sup>. In Jamaica, the regulatory framework that impacts the FDI is a set of constitutional rights, programmatic principles, multinational and bilateral agreements and legislation that guide the role of investments within the framework of the National Development Plan and related laws, regulations and policies.

Jamaica's NIP consists of an overarching set of four core dimensions that serve as guidelines or action menus for mobilizing private investments and ensuring that the policy contributes to sustainable development:

- National Development Plans, Policies and Strategies include all national policies that impact economic development and investments;
- Strategies for the mobilization of private investments include special legislation and strategies for promoting economic growth in different areas of the economy;
- Fundamental Rights and Guarantees include the basic protection and guarantee of private property and entrepreneurship, bearing in mind the country's social wellbeing; and
- Legislation and policies which currently impact the cycle of investments in Jamaica include all the regulations pertaining to the creation of a business, as well as regulations on labour, taxes and incentives.

To promote consistency and coherence among the different instruments and tools affecting private investments in Jamaica, the NIP will as part of the GOJ's effort show the coherence of existing policies, strategies and regulations regarding the promotion of investments.

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<sup>14</sup> United Nations Conference on Trade and Development (2018) *National Framework for Foreign Direct Investment* (Geneva).

#### 4.2.1 National Development Plan, Policies and Strategies

Jamaica has in place several plans, policies and strategies that directly address the importance of investment as a means of promoting economic growth. The GOJ's goals and objectives, summarized here as part of the country's NIP, are in line with international best practices for the promotion of private investments and economic growth.

##### Economic Growth Strategies

To achieve economic growth as a long-term expansion of the economy's productive potential, Jamaica has three relevant economic growth strategies that are in line with the objectives of the NIP and support the sustainable economic growth of the country, namely:

1. **Growth Inducement Strategy (2011)** – This recognizes the need for a systematic approach to designing and implementing integrated policy solutions aimed at modernizing and transforming the Jamaican economy to meet the challenges of operating in a dynamic and competitive world.
2. **National Growth Agenda (2015)** – This was developed as Jamaica's response to the country's poor economic performance from 2008 to 2012. In that period, Jamaica averaged -8%, with only two fiscal years of positive growth.<sup>15</sup> The Agenda underpinned the relationship between the Government of Jamaica and the International Monetary Fund during the successful implementation of an Extended Fund facility between 2012 and 2016, and the creation of a Stand-By Agreement as of 2016.
3. **Vision 2030 and its Medium-Term Frameworks (2007)** - Vision 2030, as noted before is Jamaica's only national development plan that represents the country's commitment to achieving developed country status by the year 2030. The Medium-Term Frameworks (MTFs) are the monitoring and evaluation mechanisms for the implementation of Vision 2030.

Currently, in its fourth instalment, the **MTF 2018-2021** outlines that the country will continue to pursue the Economic Reform Programme (ERP), which has been credited with macro-economic gains, and provide greater focus to economic growth and job creation. The MTF 2018–2021 seeks to address delays and problems in licensing and approval processes for construction projects, as well as in the acquisition, titling and transfer of land, and further simplification of tax administration processes. The GOJ also intends to facilitate private sector-led economic projects in areas of comparative advantage through PPPs.

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<sup>15</sup> See: The Government of Jamaica (2015) Growth Agenda Policy Paper (2015–2016). Kingston. P. 12.



### National Policies Impacting Investment

The National Investment Policy is aligned to numerous other policies including those that are sector-based. These include but are not limited to the following:

- **The MSME and Entrepreneurship Policy (2018)** – Establishes the key actions to be undertaken by government to develop the micro, small and medium enterprises to develop and capitalise on the opportunities to grow.
- **Policy Framework and Procedures Manual for the Privatisation of Government Assets** – To guide the privatisation of public assets
- **Public-Private Partnership (PPP) Policy and Institutional Framework (2017)** – the Policy guiding the engagement of private partners for key investment projects
- **Forestry Policy (2017)** – Supports the conservation and protection of forest ecological systems; and Incorporation of socio-economic considerations into forest management
- **The National Climate Change Policy and Action Plan (2015)** - Creates an institutional mechanism and structures to facilitate the development, coordination and implementation of policies, sectoral plans, strategies, and legislation to address the impacts of climate change.
- **Special Economic Zones Policy (2015)** - To provide a framework for Special Economic Zones in Jamaica where globally competitive firms will thrive, driving growth and development for all in a logistics-centred Jamaican economy.
- **Community Tourism Policy and Strategy (2015)** – Provides the policy framework for the development of an internationally competitive community tourism sub-sector
- **The National Sports Policy (2013)** - Establishes the foundation for the development of sport to enhance its contribution to national development.
- **National Policy on Gender Equality (2011)** - To mainstream gender, within a human rights-based framework, in all state institutions and their apparatuses, in partnership with private sector, non-governmental and civil society organizations, to ensure that females and males have equal access to opportunities, resources, and rewards in order to eliminate discrimination based on gender and to promote sustainable human development
- **Strategic Environmental Assessment Policy (2003)** - Assessment Policy which ensures that the Government of Jamaica commits to ensuring that all its policies, plans and programmes adequately consider potential environmental effects and impacts, and where these are adverse, incorporate appropriate measures to reduce or eliminate these effects and impacts
- **The National Cultural Policy (2003)** - Promotes investment and greater participation in national cultural development.
- **National Land Policy (1997)**- The goals and objectives of this Policy are to ensure the sustainable, productive and equitable development, use and management of the country's natural resources
- **Policy Framework and procedures Manual for the Divestment of Government-owned Lands (2015)** – The objective of this framework was designed to harmonize the various mechanisms and procedures that obtains in several public sector entities, which are custodians of government lands.
- **National Industrial Policy (1996)** – Establishes the national priorities of the Government in facilitating the growth of specific industries in Jamaica
- **Policy for Jamaica's System of Protected Areas (1997)** - To support the establishment and maintenance of a comprehensive, ecologically representative and effectively managed national and regional system of protected areas

- **The National Science and Technology Policy (1990)** - Fosters the acceleration of economic development and sustainable growth through the use of science and technology.

#### 4.2.2 *Strategies for the Mobilization of Private Investment*

In addition to economic plans, policies and strategies, Jamaica has instituted three fundamental initiatives for mobilizing private investment to achieve specific development objectives:

- The Business Environment Reform Agenda (BERA)
- The Global Logistics Hub Initiative (GLHI) and the Special Economic Zones (SEZ) Policy
- The Public-Private Partnership Programme (PPP) and the Privatization Policy

These current strategies are outlined and include recommendations for their enhancement in order to support the NIP.

- Reform of the Business Environment:** Since its inception in 2010, the National Competitiveness Council (NCC) has been facilitating the implementation of various business reforms to improve the local business environment and encourage economic development and investment. Under the BERA, the NCC must seek ways to improve the ease of doing business across the various stages of a firm's life cycle.
- The **Global Logistics Hub Initiative (GLHI)**, the GOJ aims to establish Jamaica as the premier logistics node within the Americas. A critical aspect of achieving this objective is the creation of a logistics-centred economy, which provides a friendly environment for both businesses and consumers. The initiative, consistent with Vision 2030, involves creating state-of-the-art logistics zones, upgrading and further developing air and seaport infrastructure and establishing an enabling environment which will allow businesses to fully exploit Jamaica's strategic location.
  - The **Special Economic Zones (SEZ)** strategy is aligned to the GLHI and promotes two-way trade between zones and the rest of the local economy. Geographic areas of Jamaica may be designated as SEZs, being classified as General Zones or Specialized Zones. In the latter case, the zones are limited to specific economic activities such as maritime or aviation-related zones: dry docks, bunkering facilities, aircraft maintenance and repair or tank farms, for example.
- The Public-Private Partnership Programme (PPP) and the Privatization Policy.** A key strategy for mobilizing investments is the **PPP (2012)**. The PPP forms an addendum to the Privatization Policy. The PPP is intended to provide a framework for government officials to identify, develop and implement PPPs.<sup>16</sup>

#### 4.2.3 *Fundamental Rights and Guarantees*

Three fundamental rights and guarantees are part of Jamaica's NIP Framework: (1) Real Property, (ii) Intellectual Property and (iii) Competition.

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<sup>16</sup> The policy defines a PPP as a long-term procurement contract between the public and private sectors, in which the proficiency of each party is focused on designing, financing, building and operating an infrastructure project or providing a service, through the appropriate sharing of resources, risks and rewards. The definition is limited to assets of high value and areas where the government is faced with fiscal constraints and is obligated to provide the infrastructure service.

- **Real Property**

Real property rights are constituted in the **Registration of Titles Act**, which facilitates and protects the acquisition and disposition of all property rights, and in the **Land Acquisition Act, 1947** (last Amendment 1976). This Act establishes the expropriation process in Jamaica, which follows the provisions of both Anglo-Saxon and Continental law for a public declaration of land requirement for public purpose and the preservation of the affected owner's financial balance.

- **Intellectual Property (IP)**

IP rights are becoming increasingly important within national economies and the Jamaica Intellectual Property Office (JIPO) administers the relevant IP laws as set out in the **Jamaica Intellectual Property Office Act, 2002**.

Jamaica's commitment to Intellectual Property (IP) protection is reflected in the fact that Jamaica is signatory to every major international copyright and related rights treaty and agreement administered by the World Intellectual Property Organization (WIPO) and the World Trade Organization (WTO). Through the Jamaica Intellectual Property Office (JIPO), an agency of the Ministry of Economic Growth and Job Creation, companies and individuals operating in the country are encouraged to register their IP locally in order to reap the full benefits of their creativity and enjoy protection from piracy.

- **Competition**

A firm facing vigorous competition offers more innovative products and more choices for the consumer, and domestic competition enhances a firm's ability to compete in international markets<sup>17</sup>. In Jamaica, competition is addressed by **The Fair Competition Act (FCA), 1993** which ensures that the benefits of the competition process in Jamaica are unhindered by anticompetitive activity, the Fair-Trading Commission (FTC) being the administrative body responsible for implementing the FCA; **The Consumer Protection Act, 2005** which provides for promotion and protection of consumer interests in relation to the supply of goods and the provision of services for ensuring the protection of life, health and safety of consumers; **The Sale of Goods Act (July 1<sup>st</sup>, 1895)** administered by The Consumer Affairs Commission, the agency in charge of fostering ethical relations between providers and consumers of goods and services in the Jamaican marketplace, through effective advocacy, research, public education and complaint resolution; and **The Partnership (General) Act, 2017<sup>18</sup>** which governs the process for foreign partnerships pursuing business transactions in Jamaica and facilitates mergers and conversion of such arrangements.

### 4.3 Investment Protection: Pre and Post – Establishment of Investors

Jamaica does not make any distinction between pre- and post-establishment of investors. All investments in Jamaica are protected according to Jamaica's national investment framework regardless of the stage of decision-making process or the type of investment. It is important, however, to pay attention to the following pre- and post-establishment considerations.

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<sup>17</sup> Sampson, Cezley (1997) *Competition Policy: Jamaica's Experience*. Economic Reform Today. Number One. Kingston.

<sup>18</sup> Act not yet in force.

#### 4.3.1 *Pre-Establishment of Investors*

Regarding **Pre-Establishment of Investors**, the Bilateral Investment Treaties (BITs) for the Promotion and Protection of Investments are fundamental instruments for protecting investors' rights. In recent years, an increasing number of International Investment Agreements (IIAs) has included pre-establishment commitments, extending national treatment and Most Favoured Nation (MFN) obligations to the "establishment, acquisition and expansion" of investments.

##### **Bilateral Investment Treaties**

Jamaica has several bilateral investment promotion and protection treaties in force with Argentina, China, France, Germany, Italy, Netherlands, the Republic of Korea, Spain, the United Kingdom, the United States and Switzerland. These bilateral treaties are based on the view that an open investment policy contributes to economic growth. They also provide for dispute settlement options between investors and the host country, which include friendly settlements, the use of local courts or even arbitral channels.

Despite the position of some experts who have indicated that the application of national treatment to the pre-establishment phase reduces the government's margin to manoeuvre for the adoption of policies in favour of domestic investors, in practice Jamaica establishes equal treatment among investors regardless of the place of origin of the capital to invest.

Based on this and also international trends, the adoption by Jamaica of an investment definition based on assets is essential not only to maintain consistency in relation to the provisions of bilateral agreements and chapters on investments in commercial agreements, but also because of its importance for the formulation of policies to promote investment of nationals in the country, mainly through a correct protection of the intellectual rights of local creators or innovators.

The assets-based concept is also recommended since: (i) The cash contributions to the share capital of the company receiving the investment and (ii) The contributions of intellectual rights duly recorded, constitute investment. The rationale is that the government can promote intellectual rights seeking to deepen the concept of a knowledge-based society, based on the knowledge of its citizens to encourage innovation, entrepreneurship and the dynamism of its economy.

##### **Double Taxation Treaties**

Jamaica has double taxation agreements with Canada, CARICOM, China, Denmark, France, Germany, Israel, Japan, Mexico Norway, Spain, Sweden, Switzerland, and the United Kingdom. It also signed a bilateral Income Tax Convention with the United States in 1981, which seeks to avoid double taxation while preventing income tax evasion. In 2014, both countries signed an inter-government agreement for reciprocal information sharing as part of the implementation of the U.S. Foreign Account Tax Compliance Act (FATCA). Recently, in 2018, Jamaica signed an agreement of this type with Mexico. These legal instruments are incorporated into the internal legal order and their purpose is to eliminate or lessen international double taxation that affects or hinders the exchange of goods and services and capital movements, technologies and persons, exclusively benefiting natural or legal persons, residents or domiciled in any of the Contracting States.

### 4.3.2 Post-Establishment of Investors

Regarding **post-establishment considerations**, some important conditions apply to foreign investors in their post-establishment phase, in accordance with Jamaica's laws and regulations:

#### **Legal and Policy Frameworks for Labour**

Investors consider labour costs and availability to be even more important to their investment decisions than tax rates. Several reasons have been advanced for promoting labour market productivity: enhance efficiency, boost competitiveness, use new technological innovations, be cost-effective, adapt to changes in commodity and other markets and maintain a family-work-life balance.

Jamaica is a member of the International Labour Organization (ILO), which governs international issues related to labour and worker rights. There are several local laws that address employer-employee relations and ensure harmony in the labour market.

***The Employment (Termination and Redundancy Payments) Act*** repeals the Masters and Servants Law to provide for the notice required to be given for the termination of employment contracts, the right of certain employees to certain facilities for returning to their homes on termination of their employment contracts, employers' payments to employees dismissed by reason of redundancy, or for purposes incidental to or connected with such matters. This Act provides redundancy pay to employees who are let go with at least two years of continuous employment.<sup>19</sup> Workers with up to 10 years of employment are entitled to two weeks' payment for every year worked, while workers with over 10 years' employment are entitled to three weeks' payment except in cases such as firing for cause.

**The Foreign Nationals and Commonwealth Citizens (Employment) Act** regulates the hiring of foreign nationals in Jamaica. Work permits are issued at the discretion of the Ministry of Labour and Social Security.<sup>20</sup> Under Section 3 of the Act, a foreign national who wishes to work in Jamaica must first apply for an appropriate work permit. The Act, which seeks to give first preference to Jamaicans, requires organizations planning to employ foreign nationals to prove that they have attempted to employ a Jamaican national.

Finally, minimum wage is subject to annual review by the GOJ and employers are subject to a monthly statutory remittance of payroll deductions.

#### **Taxation**

Taxation levels may influence investors' decisions about where to invest within a specific region. However, the high visibility of income tax rates can mislead policy makers on their importance in attracting foreign investors and motivating entrepreneurs. In an effort to simplify the tax system and broaden the tax base to attract larger FDI inflows and improve the business climate, Jamaica has issued or amended a large amount of legislation since 2011, including the Fiscal Incentives

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<sup>19</sup> It is worth mentioning that, following an internationally accepted practice, female staff members are entitled to two months of paid maternity leave.

<sup>20</sup> A work permit is a document or card bearing a number issued to an expatriate, which authorizes that individual to work in a country for a specified period.

Act and the SEZ Act. The GOJ has also been making efforts to simplify and streamline its incentive programmes for businesses.

In 2014, the Omnibus Incentives Legislation, comprising four initiatives, was introduced to create a transparent and automatic fiscal incentives framework:

- Fiscal Incentives (Miscellaneous Provisions) Act 2013
- Income Tax Relief (Large Scale Projects and Pioneer Industries) Act, 2013
- The Customs Tariff (Revision) Amendment Resolution 2013
- Stamp Duty (Amendments of Schedule) Order 2013

Tax Administration Jamaica (TAJ) is the country's premiere revenue-collecting agency. Its main objectives are to foster voluntary compliance, collect the revenue due in an equitable and efficient manner, contribute to a competitive business environment and facilitate economic growth and development. TAJ administers tax laws relevant to direct foreign investment in Jamaica.

The ***Income Tax Act (1955)*** provides for the imposition of the Income Tax. The Act establishes the criteria to define the net taxable income, as well as the persons who are taxpayers. According to Section 5 of the Act, a resident corporation is taxable on its worldwide income. Non-resident companies are subject to tax on Jamaican-sourced income.

The ***General Consumption Tax (GCT)*** is a value-added tax (VAT). The standard rate is currently 16.5%. Higher or lower rates of GCT are applicable to certain goods and services. For example, the provision of telephone services and handsets is subject to GCT at the rate of 25%, while licensed tourist accommodation and other specified tourism services are subject to a reduced GCT of 10%.

***Customs duties and related imports.*** Customs duty is levied on the customs value of specific goods imported, which is determined in accordance with the World Trade Organization (WTO) rules on customs valuation. The rates are specified by a prescribed Customs Tariff, having regard (where appropriate) to the Common External Tariff agreed between Caribbean Community (CARICOM) member states; or negotiated under Free Trade Agreements, notably the EPA.

***The Special Consumption Tax (SCT)*** is imposed at various rates on the importation or manufacture of 'prescribed goods' (certain petroleum products, ethanol, alcoholic drinks, tobacco and motor vehicles), and the ***Property Tax*** applies to all land in Jamaica which is valued for property tax purposes on the 'site value' or 'unimproved value'.

### **Immigration**

Foreign nationals coming to Jamaica on business may require a business visa or for those wishing to work will be required to obtain a work permit before arriving in Jamaica.

***Business Visas.*** Jamaica's Immigration procedures are governed by Acts such as the Immigration Restriction (Commonwealth Citizens) Act (1945); the Aliens Act (1946); the Passport Act; the Foreign Nationals and Commonwealth Citizens (Employment) Act and the Jamaican Nationality Act. It also includes all other legislation having bearing on Immigration and Passport aimed in general at controlling the movement of non-Jamaicans entering and remaining in the country. There are general requirements which may also take into consideration health and safety

considerations. The Passport, Immigration and Citizenship Agency has responsibility for processing applications for permanent residence.

#### 4.4 Outward Investments

The effects of outward FDI on domestic investment may vary from one home country to another, depending on firms' underlying motives for investing abroad and on the characteristics of each home country's economy.

Despite fears that outward direct investment by Jamaican companies may lead to a 'hollowing out' of industry and loss of exports, studies of countries with long experiences of high levels of outward direct investment such as the United States of America, Korea, and China, all indicate that outward direct investment and exports are broadly complementary.

The Government of Jamaica has no restrictions on overseas investment by domestic enterprises (outward investment). According to UNCTAD, Jamaica's total amount of outward investment in 2016 was US\$286 million.<sup>21</sup> Figures available from JAMPRO show that between 2005 and 2014 the total amount of outwards investment in Jamaica was US \$668 million.

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<sup>21</sup> UNCTAD (2017). World Investment Report 2017

## 5.0 Framework for the Policy

### 5.1 Vision

The vision of the National Investment Policy is to see:

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‘Jamaica positioned as a major player in the global investment community driven by economic growth through sustainable **development**’.

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### 5.2 Approach of the NIP

The National Investment Policy documents issues and recommendations on areas that impact investments. Recommendations seek to improve the impact of the Current Investment Policy Frameworks which includes Plans, Policies, Strategies and Legislation already in place and also addresses new areas for attention that will improve Jamaica’s investment impact.

### 5.3 Guiding Principles of the NIP

The following will be principles that will undergird policy implementation:

#### **1. Business Efficiency**

This policy supports efficiency in all processes that facilitate investment including ensuring coordination and collaboration by portfolio ministries, agencies and other relevant bodies to ensure seamless service and ease of doing investment business.

#### **2. Public Sector Cohesiveness**

This policy seeks to improve the working relations among all MDAs playing a role in the promotion and facilitation of all investment types. It rests on the support of all MDAs effectively working together in an effort to drive growth and development.

#### **3. Global Competitiveness**

The standards and mechanisms established to support investments will aim to adhere to international best practices that will enable Jamaica to remain competitive and the place of choice to do business

#### **4. Transparency**

The NIP will seek to ensure that investment processes are transparent, predictable and accessible to all and will support a robust and ethically driven investment environment.

#### **5. Sustainability**

The NIP will be driven by economic, social and environmental pillars of sustainability towards ensuring that economic growth strategies and development will meet the needs of the present population without compromising the ability of future populations to do so.



## 5.4 Main Policy Statements

Policy statements that support the guiding principles and embody the government's commitment to developing a NIP are as follows:

- I. In order to ensure a seamless investor experience, all public Jamaican entities (located in Jamaica or abroad) involved in investment promotion and facilitation will do so in keeping with the spirit and principles of the National Investment Policy of Jamaica and in coordination with the national investment promotion agency.
- II. The Government of Jamaica is seriously committed to improving business conditions in the country in an effort to grow businesses.
- III. The Government of Jamaica has no restrictions on overseas investment by domestic enterprises (outward investment).
- IV. The Government of Jamaica makes no distinction between local and foreign investors, giving equal treatment to both class of investors in keeping with the laws of the country and in keeping with multinational/bilateral agreements.
- V. The Government of Jamaica is ready to take bold decisions that facilitate and support 'strategic' investment projects deemed to be so whenever they arise.
- VI. The Government of Jamaica reserves its sovereign right to identify and define special investment regimes to promote the development of certain areas or economic activities it deems important to national development.
- VII. The Government of Jamaica is committed to growing industry and commerce in the country, particularly through the implementation of linkages programmes that connect local and foreign investors.
- VIII. The Government of Jamaica is committed to partnering with the private sector to maximize the use of bilateral and multilateral agreements.

## 6.0 Key Policy Issues and Recommendations

The policy issues outlined in the NIP were derived through consultations and also include the results of the deliberations of the six thematic working groups formed by the PSC to assist in the policy development process. The seven (7) main policy issues, their respective goals, general considerations, objectives and recommendations are discussed below.

### 6.1 Coordinated National Approach to Sustainable Investment Planning

**Policy Goal:** To strengthen mechanisms for a coordinated strategic investment planning framework that informs investment strategies, supports inclusive sustainable economic development and is aligned to national development mechanisms.

#### *Policy Considerations*

Many governments may be confronted with challenges associated with establishing priorities that serve not only national objectives but investment interests. It is therefore a critical requirement that a coordinated national planning framework for investments be instituted including decision makers at the highest levels. This will support establishment of coordinated and clear national investment objectives and priorities to which Ministries and Agencies will be aligned.

This will support a holistic planning approach that should account for all aspects of the investment value chain including but not limited to, targeted investment opportunities, access to key resources including land and other physical assets, treating with (in a sustainable manner) the human, social and environmental requirements that support growth of a Green economy and other factors. Jamaica, while it is in the process of finalising a National Spatial Plan, as guided by the National Physical Plan, development orders, local sustainable development plans, the Protected Areas Systems Master Plan 2015 (PASMP) and other relevant policies, should ensure that investments augur well for the built and natural environments and the ecosystems services and resources they provide. Some of these services and by extension resources e.g. water catchment for potable water, are critical inputs for various kinds of national investments. The context of Climate Change also demands that investments are such that they should adapt to likely impacts and where possible mitigate ongoing effects of Climate change.

Additionally, a strong investment policy regime will ensure that the spill over effects allow domestic enterprises to grow from foreign investments are addressed and policy coordination mechanisms put in place to ensure this occurs (UNCTAD, 2015). UNCTAD's Investment Policy Framework for Sustainable Development (2015) suggests that 'new generation' investment policies place inclusive growth and sustainable development at the heart of the efforts to attract and benefit from investment. At the national level, embedding investment policy in development strategy, designing policies for responsible investment and sustainable development and implementation of institutional mechanisms for policy relevance and effectiveness are essential.

#### *Policy Objectives*

- To establish and institutionalise a national investment planning framework to support coordinated investment planning, development and management
- To ensure that investment decision making is informed by global contextual realities and key national development plans and policies that support pillars of sustainable development

- To provide, through a strong linkages framework, a seamless mechanism for inclusion of local enterprises in the Jamaican investment value chain

### ***Policy Recommendations***

- Establish a formal national coordinated governance framework for sustainable investment planning to include setting up a specific oversight committee/body or designating a current national investment oversight mechanism with the responsibility;
- Designate privately funded project as a 'priority project' on the basis of specific criteria and as recommended by the investment promotion agency and relevant Ministries, Departments and Agencies;
- Ensure investment decision making processes adhere to current national sustainable development planning guidelines; and
- Ensure local linkages and national entrepreneurship opportunities are integrated into investment promotion and facilitation strategies.

## **6.2 Access to Land and other GOJ Assets**

**Policy Goal:** To improve the framework for sustainable, productive and equitable development, use and management of the country's land resources and other GOJ assets.

### ***Policy Considerations***

There is a robust planning, policy and regulatory framework for treatment of access to land for investment purposes. This includes the National Development Plan: Vision 2030, Growth Inducement Strategy (2011), the Privatisation Policy, Land Divestment Policy Framework, a Shovel Ready Investment Projects (SRIP) programme, among others. In spite of these frameworks various gaps exist which include readily accessible information on lands that are available for investment and also the time taken to secure land titles. The land administration system needs to be reliable and should ensure that all property transfers be registered and that proper checks to ascertain the absence of competing claims be conducted before an entry in the registry is made.

Best practices for access to land involve two dimensions: (1) Acquisition of land process and (2) Protection of the investor's rights (quality of land administration system). The National Land Agency, has under the public sector modernisation programme, taken steps towards improving its business services including reduction of time for access to titles. A readily accessible land bank would be helpful for investors. The SRIP programme which seeks to pre-package investment opportunities to fast track development approvals is a current mechanism that improves business processes around land access for investment.

Land and other assets may be invested in via PPPs. The criteria established for pursuing PPP projects include: Viability, Value for money, Marketability, Fiscal responsibility. This policy should apply to all government PPP transactions which are the remit of the central government and which meet the policy's definition of a PPP. Such transactions must be of sufficient value and scope to create a significant positive impact on the economy and the society.

The absence of a current National Spatial Plan that provides guidelines for land use and development mitigates against a national streamlined approach to investment approvals. Guidance on land use is required by the National Environment and Planning Agency (NEPA), the

Town and Country Planning Authority as well as the relevant Municipal Corporations and their input is critical for certain types of development approvals. Not only will environmental factors be considered but an assessment of support services and infrastructure required for specified developments and whether it can be accommodated within identified land parcels. Coordination between lead ministries and agencies with portfolio responsibilities for land access processes will be important.

#### ***Policy Objectives***

- To implement (i) a divestment and acquisition mechanisms and (ii) a pricing formula, that are transparent and rational;
- To innovate with more dynamic and participatory approaches (including the private sector, non-government and local communities) to negotiating settlements, addressing environmental issues and finding solutions to land use planning and development challenges;
- To provide updated and uniform information on government-owned land which is available for transferring to the private sector and includes guidance on types of development that can be supported.

#### ***Policy Recommendations***

- Build a land bank with detailed information on all the land owned by the different government agencies which provides guidance on types of developments that can be supported on specified parcels of land (a system similar in concept to the Multiple Listing Service [MLS] system used by real estate agents);
- Engage key partner Ministries and Agencies regarding prioritisation of the completion of the National Spatial Plan ensuring that it is comprehensively developed and informed by local development plans;
- Centralize the divestment process within the National Land Agency (NLA). The control of the process is retained by the government entities owning land, but the NLA would be responsible for coordination and ensuring guidelines of the divestment process are followed;
- Implement and enforce sale/lease contract agreements that requires investor performance against contractual obligations; and
- Identify and address gaps in the Divestment and Public Privat Policy (PPP) policy areas such as lease of land and transfer of other assets, ideal for but not covered under either Policy

### **6.3 Business Process and Environment Reforms**

**Policy Goal:** To provide a streamlined customer-centric investor experience across government that offers strategic guidelines to identify, facilitate and realize greater investments in the country through the deliberate efforts of government entities established to facilitate business.

#### ***Policy Considerations***

Jamaica ranked 70<sup>th</sup> out of 190 countries in the 2018 World Bank Doing Business Report (DBR 2018). JAMPRO, in partnership with key Ministries and Agencies, is working towards moving Jamaica's ranking to the top ten (10) in the next few years. The rank for areas measured for the

DBR were as follows: Starting a business - 5, Getting credit - 20, Trading across borders – 130, Dealing with construction permits – 98, Protecting minority investors – 81, Getting electricity – 91, Enforcing contracts – 127, Paying taxes – 122, Registering property – 128, Resolving insolvency – 35. Jamaica has set a maximum ninety (90) day timeline for development approvals. Strategic process mapping of various approval processes is required to continue to reduce approval timelines.

Housed within JAMPRO, the NCC manages and monitors the reforms being implemented by the GOJ's ministries, departments and agencies (MDAs). The Council works to identify challenges private-sector entities face in their transactions with the GOJ and works with key agencies to establish timelines for addressing issues. To date, Jamaica has implemented some key reforms including the mandatory system of e-filing for all major taxes, support for the drafting of the Insolvency Act, development and implementation of the Security Interest in Personal Property (SIPP) Act and the National Collateral Registry, and the implementation of the Business Registration Super-form. The GOJ is also working on other business reforms under the BERA including the close monitoring of Jamaica's performance on key global competitiveness indices such as the Doing Business Report, the Logistics Performance Index and the Global Competitiveness Report.

Some investment opportunities given their economic potential, time sensitivities and other factors may be afforded with 'priority' status in order to be fast-tracked. In keeping with the guiding principle of transparency clear criteria should be outlined for categorising projects as priority.

### ***Policy Objectives***

- To reduce government regulatory complexity and uncertainty by reducing unnecessary burdens created by bureaucracy and paperwork at different levels of service to investors;
- To balance the GOJ's need to use administrative procedures as a source of information and as a tool for implementing public policies for investments, and to minimize the resources required to comply with them;
- To simplify the application process and reduce the response timeframe for all investment-process-related applications to the GOJ to a maximum of 90 days
- To identify and prioritise investment projects deemed critical for implementation;
- To provide a transparent accessible and timely process for the administration of incentives, licenses, permits and other authorisations; and
- To create a mechanism for investors to provide the details on their projects to all relevant government agencies to allow for easier facilitation.

### ***Policy Recommendations***

- A National Business Portal (NBP)<sup>22</sup> should be created as a virtual one-stop shop for investors wishing to i) ascertain how to do business in Jamaica, ii) obtain advice on how to facilitate their investment and iii) make and monitor relevant applications;
- Create a forum that allows Government agencies to freely and openly discuss potential investment projects in order to ensure transparency and openness in the facilitation of

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<sup>22</sup> The National Business Portal (NBP) will complement and support implementation of the policy through the development of an online platform that will house the Business-to-Government online interface for all government entities involved in the investment or business facilitation process.

- investors. The forum will also allow all relevant information to be discussed before guidance is given to the potential investor;
- Investors should be mandated to register their investment projects with the Government of Jamaica to allow for inter alia transparency, feedback and guidance from relevant agencies, foresighting for Government projects that might be impacted by the project, and for forecasting the impact of the project on the economy;
  - Strengthened and transparent interinstitutional arrangements will be essential to support the success of business reform efforts;
  - High-level vision must be translated into key performance targets and detailed action plans at all levels, including for legislation;
  - Reinforce mechanisms for the integration of continuous private-sector feedback throughout the reform process; and
  - The Cabinet should be allowed to designate a privately funded project as a 'priority project' on the basis of specific criteria and as recommended by the investment promotion agency
- *Specific Recommendations for Reform of the Development Application Review Processes (DARP):*
    - Reactivate the public/private partnership between the GOJ and the Jamaica Chamber of Commerce (JCC)<sup>23</sup> with the aim of updating the Agenda for Development Application Review Processes (DARP)
    - Implement a strategic planning framework, to include performance management in the Municipal Corporations (MCs), and
    - Undertake a business process review and possibly re-engineering of the development applications process, which may result in necessary organizational restructuring of MCs and amendments to key legislation.

## 6.4 Incentivising Investments

**Policy Goal:** Maximize long-term benefits of private investments, where the benefits exceed the costs, and the costs of achieving given goals are kept to their lowest feasible level.

### ***Policy Considerations***

Jamaica's fiscal incentive regime has facilitated interest in the country as a location for various types of investment. The Omnibus Incentive Legislation (2014) provides the rubric for management of incentives. Whilst incentives are used globally by countries to attract investors, countries must consider the extent to which these incentives redound to the overall benefit of the economy as incentives represent payments that would be otherwise directed to the public purse. In the context of Jamaica being a developing economy redirecting already scarce public funds requires careful assessments to ensure the incentives facilitate greater gains for the country. Incentives, it is suggested, are not a large factor in overall investment location decisions, but rather a differentiator between finalists.

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<sup>23</sup> The partnership was created under the Legislation, Regulations Projects (Legs and Regs), initially funded by the United States Agency for International Development (USAID).

A mechanism should be put in place to ensure that incentives given, and matching benefits promised are tracked and investors held accountable. Incentives data should be tracked such that countries can measure the extent to which revenue forfeited has resulted in more strategic economic gains. This kind of information through a defined evaluation process will provide useful guidance on whether or not the incentive regime should minimise or increase the number of incentives given. Evaluation activities and factors typically include how a proposal measures up to the criteria a country has established to evaluate proposals, a comparison of the cost of the incentive against the benefits that the project is expected to produce and an evaluation of the impact on the tax base and revenue. This should include the impact on the tax base and revenue of the jurisdiction offering the incentive, among other criteria. Sustainable development investment-oriented incentives could also be explored as a means of promoting investment in relevant sectors and conditional upon their sustainable development contribution.<sup>24</sup>

### ***Policy Objectives***

- To design a system to make incentives more effective, with these elements: Explicit contracts with performance requirements (e.g. number of employees hired to qualify, with relocation banned for certain period);
- Monitoring disclosure requirements that pay out sooner rather than later (due to high discount rates applied by firms), except in cases of research and development, training, or if using performance requirements.
- To encourage the expansion of specific types of businesses through incentives (fiscal and non-fiscal), which results in growth and expansion consistent with Jamaica's Vision 2030 Plan; and
- To introduce new know-how through incentives (fiscal and non-fiscal), by demonstrating new technologies and training workers who later take employment in local firms

### ***Policy Recommendations***

- Rationalize incentives by evaluating each of the current incentive regimes to balance the higher revenues and social benefits with the indirect costs of incentives, the revenue losses from incentives and within the context of the global vs. local business environment;
- Review and update, as necessary, the fiscal and non-fiscal incentive regime, so incentives are granted automatically based on clear eligibility criteria and putting in place best practices on the monitoring framework and other initiatives to maximize the rate of return of the incentives;
- As a part of this monitoring framework, implement a reporting mechanism for all persons registered under an incentive regime to report annually on various metrics including, but not limited to, value of investments, number of jobs created, and level of revenues; and
- Explore other incentive mechanisms such as those that support sustainable development priorities including minimising carbon footprints and other regimes.

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<sup>24</sup> UNCTAD Investment Policy Framework for Sustainable Development

## 6.5 Logistics-Centred Economic Growth

**Policy Goal:** To strengthen Jamaica’s economic position and broaden investment growth opportunities through the Global Logistics Hub Initiative.

### *Policy Considerations*

Jamaica sits at the intersection of several maritime and aviation routes to the Americas, Europe and Western Africa. Businesses located in Jamaica can readily access large commercial markets in North, Central and South America (totalling over 800 million people). The Jamaica Logistics Hub will provide businesses with prime savings opportunities for swift delivery to final consumers at substantial cost. The Logistics Hub Initiative (LHI) is multifaceted and will include: firstly, securing several billion dollars of private investment in logistics infrastructure and the upgrading of urban support areas to capitalize on Jamaica’s geostrategic location astride major maritime and aviation routes; secondly, establishment of a Special Economic Zone (SEZ) regime to attract large Globally Integrated Enterprises to benefit from Jamaica’s more competitive near shore position in the global value chains; and thirdly, implementing logistics centered economic policies and structural reforms that enhance the competitiveness of the economy and enable Jamaica to progress beyond being a pure transshipment point to adding substantial value domestically to goods moving through the hub and services provided in competitive economic clusters<sup>25</sup>.

A set of incentives granted to developers settled in the SEZ is established. These include Asset Tax Relief, Customs Duty Relief and Income Tax Relief. The Special Economic Zone Authority is the agency in charge of regulating and supervising these zones, as well as negotiating and entering into master-concessions and license agreements with developers. With strategic investment and global partnerships, the Jamaica Logistics Hub will include these amenities: Maritime and air cargo logistics hubs; Strategic storage, handling and processing points for bulk commodities; Expansive SEZs facilitating assembly, warehousing, sorting, distribution and other value-added services, particularly for industries handling time-sensitive and high-value cargo; Aviation-related maintenance repair and overhaul as well as ship repair and dry docking; A robust digital network to support efficient global value chain tracking and tracing, as well as e-commerce operations.

### *Policy Objectives*

- Increase market access through the ability to connect with other hubs and international markets
- Continue to facilitate firms in integration into global production and supplier networks through the SEZ and other frameworks
- To increase the pace of project development and implementation, improve ease of trading goods and services in support of development of a dynamic economy

### *Policy Recommendations*

The development of Jamaica as a logistics hub is a long-term commitment and requires the simultaneous development of key success factors. For Jamaica to be considered a logistics hub and respond to the country's growth and development goals, it must respond to the need to reduce transaction costs (cash and time). Therefore, the GLHI strategy, which includes the SEZs, must address the following:

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<sup>25</sup> [www.mic.gov.jm/content/logistics-hub-platform-efficient-flow-business-activity](http://www.mic.gov.jm/content/logistics-hub-platform-efficient-flow-business-activity)



- Increase market access through the ability to connect with other hubs and - international markets, which are already of interest to global operators;
- Highlight Jamaica’s global strategic positioning that contextualizes the country’s location, including an assessment of the distances and travel times to major world waterways;
- Address customs-related regulatory obstacles by way of a new customs law that would focus on facilitating the efficient processing of customs-related transactions and encourage voluntary compliance with customs laws and procedures;
- Increase the efficiency of port logistics processes;
- Guarantee a competitive equitable environment compared to other SEZs in Central America, the Caribbean and Asia;
- Optimise efficiency against regulations in a bid to control zone activities;
- Identify additional areas and expedite development of areas for site locations that require minimal capital expenditures by potential investors and develop them with appropriate infrastructure and adequate facilities.

## 6.6 Labour and Immigration

**Policy Goal:** To spur investments and respond to the needs of investors through Immigration and Labour service delivery.

### *Policy Considerations*

A qualified, skilled and efficient labour force are amongst the key requirements for most investments in Jamaica. Jamaica seeks to, through various institutions and mechanisms, ensure that there is currency with global investment trends in order to meet labour requirements. Various national training institutions providing primary, secondary, technical and vocational training, through to tertiary level education, continue to provide a strong educational foundation for Jamaica’s labour force. Additionally, under CARICOM’s CSME regime, there is the free movement of skills which supplements Jamaica’s labour force.

There are, on occasion, gaps that remain to be filled for key functions which may not be met through local supply. This therefore means that Jamaica will be taking steps to ensure that its labour force will be equipped to fill these opportunities in the near future and in the interim and/or where the skill is highly specialised facilitate immigration requirements to ensure labour supply. Best practices for labour and immigration revolve around these issues: The ease of hiring skilled expatriates; and investment assessment made based on (i) restrictions that control the inflow of skilled immigrants (quotas), (ii) good practices for processing Temporary Work Permits and (iii) assessment of the availability of local skills. Mechanisms to monitor compliance of investors with local labour laws is also an imperative with implications for treatment of worker rights, time period for project execution and other factors.

### *Policy Objectives*

- To prevent and combat long-term unemployment;
- To have a robust database on available labour in Jamaica by occupation and skills;
- To identify and address regulatory and interinstitutional gaps that hinder the provision of efficient labour and immigration services; and
- To modernize visa services infrastructure for skilled workers with these measures: (i) Rationalizing procedures, focusing delivery on the customer, ensuring trained staff and signposting information; (ii) Deploying efficient online technologies to minimize burden

on migrants and administrative staff and (iii) Imposing proportionate costs on employers and migrants for client services and using revenues to improve capability for processing and decision-making

### ***Policy Recommendations***

- Establish an arrangement whereby major strategic projects could use external labour to get started if they meet these criteria, including a lack of local skilled labourers, clear economic benefit, a transfer of skills/technology;
- Implement a strategic economic residence programmes that facilitates direct investments
- Upgrade the national job bank to contains different labour market information (graduates and professionals available by career, employment by career, availability of skilled labour, parish information, etc.);
- Request that the Planning Institute of Jamaica (PIOJ), in collaboration with the relevant GOJ entities, track labour indicators in Jamaica (technology transfer, productivity of the workers per sector and skills available);
- Create an Investor Visa to allow for the easier movement of bonafide investors;
- For work permits and visa requests/ processing, develop an online system that will house the Business-to-Government online interface for all government entities involved in the Permitting and Visa facilitation processes; and
- Apply the principles and guidelines of the National Policy on International Migration and Development when it comes to international agreements on labour and immigration.

## **6.7 International Trade**

**Policy Goal:** To strengthen mechanisms for trading across borders that will support national economic growth.

### ***Policy Considerations***

Jamaica is a member of the World Trade Organization and adheres to a set of global and regional trade agreements. These connections to an enlarged market provide a territorial framework for developing global or regional value chains in which intermediate goods are increasingly important for international commercial links. Access to foreign markets is crucial to the development of the GLHI. Jamaica is aggressively pursuing reform initiatives at the border, pursuant to the Trade Facilitation Agreement (TFA), to reduce processing time of imports and exports. Jamaica is also signatory to important international conventions and protocols including the Convention on International Trade in Endangered Species (CITES) which will inform how investment decisions are made around these and other sensitive concerns.

In a bid to improve competitiveness in international trade, the Jamaican government has implemented several trade facilitation measures including the simplification of trade procedures and the modernization of customs administration. Trade enhancement efforts have been concentrated on achieving conformity to the World Trade Organisation (WTO) Agreement on Trade Facilitation signed in 2014 in Bali. To this end, a number of initiatives are underway,

including the Jamaica Single Window for Trade (JSWIFT)<sup>26</sup> – which will be a single point for electronic submissions in order to facilitate the transmission of standardized information to fulfil all regulatory requirements for imports, exports, transits and any other trade-related procedure. This will allow traders to submit all information required by regulatory agencies via a single electronic gateway instead of submitting the same information multiple times to different government agencies. A key component of the ESW is the Port Community System (PCS) – a single, neutral and open electronic platform which enables the secure exchange of information between public and private stakeholders in the port community.

### ***Policy Objectives***

- To establish efficient trade facilitation systems that support investments and spur national economic growth
- To strengthen capacities of traders through access to key databases, information portals and promotion and marketing support

### ***Policy Recommendations***

Consistent with UNCTAD's Trade Policy Framework for Jamaica, the following are some recommendations for building international trade:<sup>27</sup>

- Improve compliance with quality standards, sanitary and phytosanitary (SPS) as well as other measures, especially with respect to food and agro-processed products;
- Improve the use of preferential tariffs while improving competitiveness in preparation for reciprocal trade;
- Improve compliance with international and regional standards through improving the National Quality Infrastructure
- Encourage the development of new products that have a high Revealed Comparative Advantage (RCA) with markets that offer a high potential for growth of imports and dynamism; and
- Leverage the provisions of the Foreign Trade Policy to drive access to foreign markets for goods and services.

## **6.8 Intellectual Property**

**Policy Goal:** To strengthen the policy framework for safeguarding Intellectual Property in keeping with international standards.

### ***Policy Considerations***

Intellectual Property (IP) rights are becoming increasingly important within national economies. The Jamaica Intellectual Property Office (JIPO) grants IP rights as set out in the **Jamaica Intellectual Property Office Act (2002)**. JIPO is responsible for protecting, promoting, disseminating and leading the proper use of IP from the focus of eight different areas: Copyright and Related Rights, Trade Marks, Geographical Indications, Industrial Designs, Patents, Layout-Designs (Topographies), New Plant Varieties and Traditional Knowledge and Cultural Expressions.

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<sup>26</sup> See <https://www.jswift.gov.jm/>

<sup>27</sup> Trade Policy Framework: Jamaica. UNCTAD 2015.

Jamaica seeks to achieve the status of a developed country in 2030, but the country's legal framework for patents is contained in the Patent Act of 1857. This outdated legal framework discourages inventiveness and innovation. This Act must be replaced by the long-awaited Patents and Designs Act. This legislation would extend the duration of patent protection, which is currently 14 years; achieve a clearer definition of the concept of novelty; introduce the principle of industrial applicability; and introduce the concept of inventive activity. It is recommended that Jamaica become signatory to the Madrid Protocol and Patent Corporation Treaty which will afford protection of trademarks in several countries without having to file in each country.

#### ***Policy Objectives***

- To implement key initiatives to strengthen the intellectual property rights framework in Jamaica
- To enhance efforts at capacity building including mechanisms for information dissemination on IP

#### ***Policy Recommendations***

- Support the enactment and implementation of the new Patents and Designs Law to encourage innovation;
- Encourage the registration of patent, not only by foreigners but also by Jamaican innovators. This is consistent with expectations stemming from the Logistics Hub and the SEZ Initiative, which encourages joint ventures involving the technology sector and knowledge-based industries; and
- Prioritise Jamaica's accession to the Madrid Protocol.

## **6.9 Promotion and Marketing**

**Policy Goal:** Through application of current and cutting-edge strategies and technologies, position Jamaica as the investment destination of choice in the Caribbean Region for international companies and investors.

#### ***Policy Considerations***

Jamaica has a strong machinery in place to support promotion and marketing of investment opportunities. JAMPRO is the lead agency with this mandate and is supported in its efforts by numerous ministries, departments and agencies. JAMPRO has also strategically positioned its regional offices (Kingston, Canada, New York, London and Montego Bay) in order to improve access to the local and international investing community. Jamaica is competing for investments regionally and internationally and to this end has to ensure that as an investment location it is competitive. Improving the doing business requirements will go a far way in creating an enabling environment for investments. Promotion and marketing initiatives must also continue to take into account the current national strategies being employed for mobilisation of investments namely: BERA, SEZ, GLHI and PPP, as well as regional strategies such as the proposed Regional Investment Promotional Strategy (RIPS).

Competitive strategies will include maintaining currency with investment trends, investment forecasting to prepare for future types of investments and understanding sector-based market needs. Best practices for promotion and marketing access are included in approaches being applied by JAMPRO. These include:

- Building institutional promotion and marketing capacity: Strengthening capacities for information dissemination, marketing and international presence;
- Optimizing incentives;
- Targeting sector-specific promotion: An investment promotion strategy should detail target sectors;
- Facilitating business and reducing transaction costs: Provide market information, site selection assistance, introductions to business partners and officials, consultation on incentives, and administrative support;
- Engaging non-traditional investment partners: e.g. the Jamaican diaspora and SMEs; -
- Going beyond attraction to also make sure the investment becomes operational and is retained, expanded and linked with the domestic productive sector, thereby maximizing benefits from investment; and
- Engagement of an economic diplomacy mechanism that supports inclusion of the Jamaican overseas missions in the investment promotion strategy will also be important.

Where some of the abovementioned best practices are applied it will enhance the ability to package investment opportunities. Jamaica possesses some inherent strengths in some areas that should be further leveraged to foster further growth e.g. Jamaica being the largest English-speaking destination in the Caribbean that can support Outsourcing services.

#### ***Policy Objectives***

- To guarantee the coordination (by the entity responsible for the promotion of investments in Jamaica) of cooperation among all actors involved in attracting FDI into Jamaica so as to position the country as an attractive investment destination through image-building activities, Investment generation, investor servicing/facilitation and policy advocacy;
- To increase the level of sustainable private investments in Jamaica and the generation of new jobs;
- To follow up and monitor the development of already accomplished investment projects to promote investment retention and expansion;
- To promote business linkages between domestic small and medium enterprises (SMEs) and local affiliates of multinational corporations (MNCs); and
- To strengthen outworking of the specific strategies for mobilisation of investments (BERA, GLHI, SEZ, PPP).

#### ***Policy Recommendations***

- Design and implement a sound investment promotion strategy as per international best practices which is shared and consistently implemented by all relevant Government agencies;
- Create a framework for the development of an economic diplomacy programme focussed on maximising the presence of Foreign Service Offices (FSOs) in target investment markets by using them to reach out to potential investors;
- Revisit and enhance the maintenance of an investor map that will provide an electronic platform for showcasing land parcels available and recommended types of development for each parcel;
- Design and implement an awareness campaign among different government stakeholders, including overseas missions, who interact with investors to foster a sense

- of urgency when dealing with investors and encourage professional, high-quality service delivery; and
- Introduce and strengthen a culture/ idea among high government officials that makes them aware of the need to be prepared to make enterprising decisions to support strategic investment projects when they arise.

## 6.10 Protection of Investor Rights

**Policy Goal:** To encourage innovation and investment by domestic and foreign firms through stronger frameworks for effective enforcement and guaranteeing protection of investor rights in Jamaica.

### *Policy Consideration*

There is a strong policy and legislative framework that supports rights of investors in Jamaica and this protection is facilitated by constitutional provisions. Jamaica adheres to best practices for basic protections and guarantees. The core principles of the investor include these rights:

- Equitable and non-discriminatory treatment for foreign and domestic investors, particularly in contract enforcement and payment of debts to the State;
- Investment in all sectors, under all corporate structures, in any form (direct, portfolio, etc.), as permitted and regulated by law;
- A guarantee against nationalization, expropriation or any other measures with similar effect and fair compensation in the event of such a circumstance being necessary for national security reasons;
- Freedom to transfer profits abroad in foreign currency after paying the taxes and fees required under the law;
- The opportunity to benefit from investment incentives under the terms and conditions required by law;
- Land ownership;
- Protection of intellectual and industrial property; and
- The choice to settle disputes in a local court of law or to seek arbitration.

Where any of these rights are violated there is a supporting legal system that is equipped to facilitate resolution of disputes.

### *Policy Objectives*

- To enable and enforce a legal framework for the protection and promotion of investor rights;
- To protect investors in the event of expropriation;
- To guarantee timely, secure and effective methods of registering land ownership and providing formal recognition of land rights; and
- To guarantee access to justice for investors and to provide alternative dispute resolution methods.

### *Policy Recommendations*

- Define a policy position for resolving disputes between Jamaica and private foreign investors (investor state dispute settlement).

## 7.0 Duties of Investors

### 7.1 Compliance with National Laws and Policies

Jamaica's business environment supports the protection and legal security of both domestic and foreign investors and their investments. Therefore, investors are subject to observing and complying with the laws of the country, especially those related to labour and social security, and must adhere to the provisions of the tax policy in place at the time of their fiscal obligation.

### 7.2 Compliance with International Obligations

Jamaica has signed different international agreements with economic development and investment implications. Therefore, investors are subject to observing and complying with the international agreements signed by Jamaica and must adhere to its provisions.

### 7.3 Management of Natural Resources and Climate Change Mitigation/Adaptation

Foreign and national investors must ensure that developments prevent and/or mitigate impact on the environment and natural resources. The State will ensure compliance with this provision and in appropriate cases, the National Environment and Planning Agency (NEPA) may alert the relevant agencies about operations that are causing damage to the environment and depredation of natural resources. NEPA will then apply the pertinent corrective measures. The corrective actions to be taken should build on existing global commitments for combatting the effects of climate change and support mitigation efforts and national annual targets.

### 7.4 Corporate Social Responsibility and Good Corporate Governance

In any case, both local and foreign investors must demonstrate in their operations ethical behaviour that adds value to the company based on the following criteria:

- Implement policies that respond adequately to the demands of interest groups, within the company's area of influence.
- Design a corporate governance structure within the organization to establish the highest standards of governance that facilitate responsible behaviour that benefits society.
- Monitor compliance with legal provisions and regulations applicable to the organization.
- Demonstrate commitment to technology and operational efficiency for the benefit of the environment
- Integrate social and environmental concerns in business as usual practice

## 8.0 Action Plan & Monitoring Mechanism

The implementation of the NIP is a critical participatory process. Its success will require outstanding coordination and communications among the government agencies that deal with investment. Jamaica has designed the Action Plan described in this document to provide the guidance and criteria for successfully implementing the NIP.

Just as a well-designed strategy that is poorly executed does not produce expected results, a well-designed National Investment Policy will not have the expected impact without effective execution. The implementation of Jamaica's NIP is as important as the participatory process used for its design.

Private investors, whether local or foreign, must deal with many public and private organizations in Jamaica. The sheer number of institutions involved causes complications that could potentially weaken Jamaica's efforts to capture private investments at home and internationally. These institutions' ineffectiveness and Investors' frustration as they navigate multiple bureaucracies have the potential to limit private investments in Jamaica, including FDI.

Jamaica's efforts to be a major player within the global investment community and the destination of choice for direct investments in the Caribbean region will only succeed if participating institutions understand the challenges associated with implementing policies and strategies in Jamaica and fully embrace their responsibilities.

The Action Plan and Monitoring Mechanism are crucial to ensuring effective implementation of the NIP, as measured by progress against the policy objectives. Following is a description of what needs to be done, including the governance framework for implementing the NIP, the proposed recommendations, measurement indicators, routines and expected outcomes.

### 8.1 NIP Governance

The implementation of the National Investment Policy of Jamaica is a critical process that requires the highest level of coordination and communication among the various Government Ministries, Departments and Agencies (MDAs) that deal with investment matters in order to be successful.

The Governance framework for the implementation of the NIP has three levels, namely: Direction; Coordination and Execution. The highest level (Direction) will be coordinated by a National Investment Policy Task Force (NIPTF) led by the Prime Minister and comprising the Minister with portfolio responsibility for investment as well as all relevant sector Ministers and heads of relevant Agencies. The National Investment Policy Task Force (NIPTF) will be responsible for overseeing and taking the necessary actions in order to guarantee that the different activities of the Action Plan and Monitoring Mechanism are completed, and the results achieved within the planned time frame. The Task Force will focus on directing, enabling and safeguarding operations.

For each of the other levels, there are government agencies that participate with specific roles and responsibilities. The integration and functioning of the three levels are crucial for the success of the NIP. The implementation of the NIP requires coordination by the national investment promotions agency, with cooperation among all actors involved in attracting FDI into Jamaica so as to position the country as an attractive investment destination through image-building activities, investment generation, investor servicing/facilitation and policy advocacy. The policy



names key partner ministries, agencies and other stakeholders that will have roles to play in supporting implementation.

## 8.2 Main roles of the NIPTF

The main roles of the NIPTF are to:

- Provide guidance on reviewing, amending and harmonizing laws and policies to achieve NIP objectives;
- Monitor the implementation of the NIP and the achievement of its goals identifying eventual obstacles to the delivery of the Action Plan; and
- Promote co-operation between the public and private sectors in the formulation and implementation of government policies relating to the economy and investment.

Task Force members:

- Relevant members of Cabinet
- Ministry of Finance and the Public Service
- Ministry of Industry, Commerce, Agriculture and Fisheries
- Ministry of Economic Growth & Job Creation
- Cabinet Office
- Planning Institute of Jamaica
- JAMPRO
- Entities with major responsibilities for the promotion and facilitation of investments
- Attorney General’s Chambers

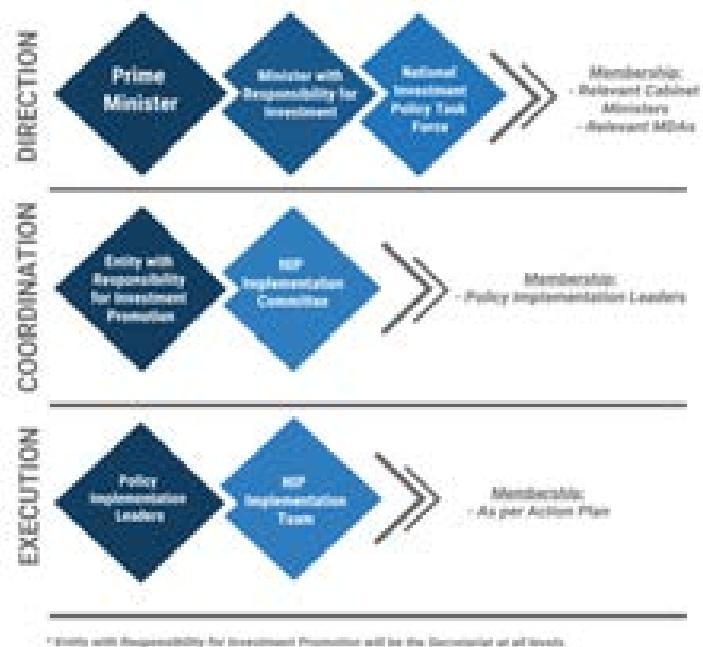
Figure 10 shows the three levels of the Governance framework for implementing the NIP: (i) Direction (ii) Coordination and (iii) Execution. It is important to understand the role of the agencies or units involved on each level.

To ensure effective coordination, the entity with responsibility for the promotion of investments will act as the Delivery Unit of the NIPTF.<sup>28</sup>

Delivery Unit responsibilities:

- Report directly to the Prime Minister and/or Minister through one-to-one meetings.
- Facilitate fact-based dialogue on progress between the different departments.

Figure 9: Governance Structure for the NIP



<sup>28</sup> The delivery unit is a group of persons that, no matter what, are responsible for systematically managing the process for driving progress and delivering results in government and the public sector. *Deliverology 101. Michael Barber with Andy Moffit and Paul Kihn. 2011.*

- Oversee and follow up on the work of the government agencies implementing the Action Plan.
- Collect and analyze performance data, produce scorecards for agencies' performance against targets, and assess likelihood of delivery.
- Identify issues and root causes preventing delivery of targets.
- Work collaboratively with the agencies involved and communicate about progress on NIP implementation to accelerate delivery of specific projects, e.g., by identifying issues and bottlenecks.
- Prepare and submit monthly notes, quarterly stocktakes and semi-annual delivery reports to the Minister.

The quality of delivery will be reflected not in specific events but in a steady stream of actions to the attainment of the expected goals. The Delivery Unit will establish and maintain regularly scheduled, structured opportunities to discuss major issues related to NIP implementation with all the agencies involved. The purpose of this effort is to create a sense of urgency, maintain focus, sustain momentum and track progress.

The Delivery Unit will work based on a delivery chain that will support Ministries and their respective agencies in implementing each aspect of the NIP.<sup>29</sup>

#### **NIP Implementation Committee**

Six project managers of the Project Implementation Team (PITs) and the director of the Delivery Unit at the entity with responsibilities for the promotion of investments will serve on this committee, which will be responsible for the following:

- Coordinate the execution of all the recommendations and ensure compliance with outputs;
- Inform the NIPTF on progress, deviations and delays—and take corrective actions; and
- Issue management reports about measurement and execution of NIP recommendations and the achievement of objectives.

The relevant government agencies will form six Thematic Policy Implementation Groups. Each group will appoint one of its members to be the project manager responsible for coordinating its actions.

#### **Policy Implementation Leader's Responsibilities:**

- Define and execute the detailed implementation (action) plan.
- Coordinate the activities, resources and budget for each recommendation within the organizations committee members represent.
- Take necessary steps for improving or correcting the action plan.
- Promote integration and communication among work team members, other ministries and their collaborators.
- Prepare and submit to the delivery unit of the entity with responsibilities for the promotion of investments monthly notes, quarterly information for stocktaking preparation and the semi-annual delivery reports.

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<sup>29</sup> A delivery chain is a network of groups that must work together to deliver better results to citizens. In the case of the NIP, private investors are the main target of this effort. A delivery chain is formed by system actors (people or organizations), and the relationships between them, through which a given system activity will be implemented.

### 8.3 Success Factors

A public policy is successful when it maintains a balance between its execution of and communication about essential managerial and technical factors.

#### Managerial:

- Leadership of the institutions responsible for guiding the process
- Detailed action plan
- Public – Private Collaboration
- Team responsibilities and team leader
- Formal monitoring and control mechanism
- Measuring, measuring, and measuring progress and impact ("What is not measured is not changed.")

#### Technical:

- Alignment of internal policies and actors
- Professional and capable team
- Available budget for the time frame of the implementation
- Focus on the issues that generate the greatest impact
- Tracking indicators

### 8.4 Responsibilities of Stakeholders

The specific recommendations will be implemented by six Thematic Policy Implementation Teams (PITs). Each team is formed by various government agencies as detailed below in table 2, and every member of each group will be responsible for the following:

- Executing the actions and activities established for the achievement of objectives, milestones and timelines;
- Reporting and channelling all abnormal performance events to the Project Manager; and
- Providing specialized and timely advice that yields valuable proposals for action plans.

## 9.0 Action Framework for the Implementation of the NIP

### 9.1 Action Framework for Key Policy Areas

For each Policy Area there will be an Action Framework to guide the implementation of the NIP. These areas will be implemented by the proposed specific PITs as noted above (Responsibilities of Stakeholders)

Table 2: Action Framework for the NIP

Tasks	Implementation Team	Success Indicators	Estimated Fiscal Cost (J\$)
<b>COORDINATED NATIONAL APPROACH TO SUSTAINABLE INVESTMENT PLANNING</b>			
Policy Goals: A coordinated strategic investment planning framework that informs investment strategies that support inclusive sustainable economic development and is aligned to national development mechanisms			<i>Total: \$0</i>
<ul style="list-style-type: none"> <li>▪ Establish high level oversight body to support sustainable investment planning (include setting up a specific oversight committee/body or designating a current national investment oversight mechanism with the responsibility)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ministry of Industry, Commerce, Agriculture &amp; Fisheries</li> <li>▪ Ministry of Finance and the Public Service</li> <li>▪ Ministry of Economic Growth &amp; Job Creation</li> <li>▪ Ministry of Tourism</li> <li>▪ JAMPRO</li> <li>▪ National Environment &amp; Planning Agency</li> <li>▪ Planning Institute of Jamaica</li> <li>▪ Tourism Linkages Network</li> </ul>	<ul style="list-style-type: none"> <li>▪ Operationalization of high-level body supporting investment planning</li> </ul>	\$0
<ul style="list-style-type: none"> <li>▪ Designate a privately funded project as a 'priority project' on the basis of specific criteria and as recommended by the investment promotion agency</li> </ul>		<ul style="list-style-type: none"> <li>▪ Criteria established under Policy</li> </ul>	\$0
<ul style="list-style-type: none"> <li>▪ Integrate sustainable development planning considerations in investment projects</li> </ul>		<ul style="list-style-type: none"> <li>▪ Investment projects implemented in keeping with approved National Spatial Plan</li> </ul>	\$0
<ul style="list-style-type: none"> <li>▪ Develop linkages and national entrepreneurship opportunities into investment promotion and facilitation strategies.</li> </ul>		<ul style="list-style-type: none"> <li>▪ Create and operationalize linkages and MSME engagement programmes in the strategic plans of relevant MDAs</li> </ul>	\$0

Tasks	Implementation Team	Success Indicators	Estimated Fiscal Cost (J\$)
<b>ACCESS TO LAND AND OTHER GOJ ASSETS</b>			
Policy Goal: To improve the framework for sustainable, productive and equitable development, use and management of the country's land resources and other GOJ assets.			<i>Total: 3,000,000</i>
<ul style="list-style-type: none"> <li>▪ Design and implement a strategy that allows the GOJ to make a public statement detailing all the land available for sale or long-term lease by government agencies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ministry of Industry, Commerce, Agriculture &amp; Fisheries</li> <li>▪ Factories Corporation of Jamaica</li> <li>▪ JAMPRO</li> <li>▪ National Land Agency</li> <li>▪ Sugar Company of Jamaica Holdings Limited</li> <li>▪ Urban Development Corporation</li> <li>▪ Development Bank of Jamaica</li> <li>▪ Ministry of Economic Growth &amp; Job Creation</li> </ul>	Execution of strategy	\$500,000
<ul style="list-style-type: none"> <li>▪ Build a land bank.</li> </ul>		Operationalization of land bank	\$2,500,000
<ul style="list-style-type: none"> <li>▪ Engage key partner Ministries and Agencies regarding prioritization of the completion of the National Spatial Plan</li> </ul>		Operationalization of the National Spatial Plan	\$0
<ul style="list-style-type: none"> <li>▪ Centralize the divestment process within the NLA</li> </ul>		Framework and MOU in place for National Land Agency to execute divestment of lands on behalf of LOEs	\$0
<ul style="list-style-type: none"> <li>▪ Sale/lease agreements that monitor investment performance against contract obligations</li> </ul>		Standard performance clause for all land sales and lease agreements in place	\$0
<ul style="list-style-type: none"> <li>▪ Address gaps in the divestment and PPP areas</li> </ul>		Divestment/PPP gaps addressed	\$0
<b>BUSINESS PROCESS AND ENVIRONMENT REFORMS</b>			
Policy Goal: To provide a streamlined customer-centric investor experience across government that offers strategic guidelines to identify, facilitate and realize greater investments in the country through the deliberate efforts of government entities established to facilitate business			<i>Total: \$20,000,000</i>
Develop a National Business Portal	<ul style="list-style-type: none"> <li>▪ Membership of National Competitiveness Council (<i>see Appendix 4</i>)</li> </ul>	Operationalization of the NBP	\$0
Creation of a transparent interagency forum to discuss investment projects		Inclusion of projects on NCC Agenda	\$0
Mandate investor registration of projects		Investor registration	\$0

Tasks	Implementation Team	Success Indicators	Estimated Fiscal Cost (J\$)
		mandated	
Strengthen and encourage transparency of interinstitutional arrangements to support the success of business reform efforts		<ul style="list-style-type: none"> <li>Streamlining of business reforms efforts</li> </ul>	\$0
High-level vision must be translated into key performance targets and detailed action plans at all levels, including for legislation		<ul style="list-style-type: none"> <li>Implementation of vision across MDAs in strategic plans and work plans</li> </ul>	\$0
Reinforce mechanisms for the integration of continuous private-sector feedback throughout the reform process		<ul style="list-style-type: none"> <li>Operationalization of mechanisms</li> </ul>	\$0
Reactivate the public/private partnership between the GOJ and the Jamaica Chamber of Commerce (JCC) with the aim of updating the Agenda for Development Application Review Processes (DARP)		<ul style="list-style-type: none"> <li>GOJ and JCC partnership is reestablished</li> </ul>	\$0
Implement a strategic planning framework, to include performance management in the Municipal Corporations (MCs)		<ul style="list-style-type: none"> <li>Operationalization of the framework</li> </ul>	\$20,000,000
Undertake a business process review and possibly re-engineering of the development applications process		<ul style="list-style-type: none"> <li>Creation of a more efficient process for development applications.</li> </ul>	\$0
<b>INCENTIVIZING INVESTMENTS</b>			
Policy Goal: To maximize the long-term benefits of private investments, where the benefits exceed the costs, and the costs of achieving given goals are kept to their lowest feasible level.			<i>Total: \$2,000,000</i>
<ul style="list-style-type: none"> <li>Rationalize incentives regime in Jamaica.</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Finance and the Public Service</li> <li>Ministry of Tourism</li> <li>Ministry of Industry, Commerce,</li> </ul>	<ul style="list-style-type: none"> <li>Completion of a review of the incentives regime with recommendations as is needed.</li> </ul>	\$2,000,000

Tasks	Implementation Team	Success Indicators	Estimated Fiscal Cost (J\$)
<ul style="list-style-type: none"> <li>Review and update, as necessary, the fiscal and non-fiscal incentive regime, so incentives are granted automatically based on clear eligibility criteria</li> </ul>	<ul style="list-style-type: none"> <li>Agriculture &amp; Fisheries</li> <li>Ministry of Health</li> <li>Ministry of Culture, Gender, Entertainment &amp; Sport</li> <li>Jamaica Customs Agency</li> <li>Tax Administration Jamaica</li> <li>JAMPRO</li> <li>National Environment &amp; Planning Agency</li> </ul>	<ul style="list-style-type: none"> <li>Outline eligibility criteria</li> </ul>	\$0
<ul style="list-style-type: none"> <li>Implement a reporting and monitoring framework for investments registered under an incentive regime</li> </ul>		<ul style="list-style-type: none"> <li>Reporting Mechanism agreed and operational</li> </ul>	\$0
<ul style="list-style-type: none"> <li>Explore development of scheme that incentivizes sustainable development priorities e.g. minimizing carbon footprints</li> </ul>		<ul style="list-style-type: none"> <li>Incentive regime created and implemented</li> </ul>	\$0
<b>LOGISTICS-CENTRED ECONOMIC GROWTH</b>			
Policy Goal: To strengthen Jamaica's economic position and broaden investment growth opportunities through the Global Logistics Hub initiative			<i>Total: \$17,000,000</i>
<ul style="list-style-type: none"> <li>Address any customs related regulatory obstacles</li> </ul>		<ul style="list-style-type: none"> <li>Completion of legislative review which leads to the drafting of a favourable regulation</li> </ul>	\$0
<ul style="list-style-type: none"> <li>Increase the efficiency of port logistics processes</li> </ul>		<ul style="list-style-type: none"> <li>Fast and efficient operation</li> </ul>	\$0
<ul style="list-style-type: none"> <li>Create a competitive legal environment</li> </ul>		<ul style="list-style-type: none"> <li>Completion of legislative review which leads to the drafting of a favourable regulation</li> </ul>	\$10,000,000
<ul style="list-style-type: none"> <li>Identify areas for development to be expedited</li> </ul>		<ul style="list-style-type: none"> <li>Development of SEZs spaces available for investment in varying sectors.</li> </ul>	\$7,000,000
<b>LABOUR AND IMMIGRATION</b>			
Policy Goal: To spur investments and respond to the needs of investors through immigration and Labour service delivery			<i>Total: \$7,000,000</i>
<ul style="list-style-type: none"> <li>Establish an arrangement for work permits for priority projects that meet the criteria of need for external labour.</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of National Security</li> <li>Ministry of Labour &amp; Social Security</li> <li>Ministry of Finance and the Public</li> </ul>	<ul style="list-style-type: none"> <li>Regime for work permits in place</li> </ul>	\$0

Tasks	Implementation Team	Success Indicators	Estimated Fiscal Cost (J\$)
<ul style="list-style-type: none"> <li>Upgrade the National Job Bank which contains varied labour market information.</li> </ul>	<ul style="list-style-type: none"> <li>Service Passport, Immigration &amp; Citizenship Authority</li> <li>Economic Growth Council</li> <li>JAMPRO</li> <li>Planning Institute of Jamaica</li> </ul>	<ul style="list-style-type: none"> <li>Job Bank updated with current information</li> </ul>	\$3,500,000
<ul style="list-style-type: none"> <li>Implement a mechanism to track and monitor labour data associated with investments (both local and foreign) in partnership with PIOJ</li> </ul>		<ul style="list-style-type: none"> <li>Publication of labour data associated with investments</li> </ul>	\$2,000,000
<ul style="list-style-type: none"> <li>Develop an online system for the request and processing of Work Visas/permits.</li> </ul>		<ul style="list-style-type: none"> <li>Operationalization of web-based platform for processing work visa/permits</li> </ul>	\$0
<ul style="list-style-type: none"> <li>Conduct a study to review and update implications of international agreements on labour and immigration.</li> </ul>		<ul style="list-style-type: none"> <li>Make recommendations based on best practices for Jamaica.</li> </ul>	\$1,500,000
<b>INTERNATIONAL TRADE</b>			
<b>Policy Goal: To strengthen mechanisms for trading across borders that will support national economic growth</b>			<b>Total: \$25,000,000</b>
<ul style="list-style-type: none"> <li>Improve compliance with quality standards, sanitary and phytosanitary (SPS) as well as other measures, especially with respect to food and agro-processed products</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of National Security</li> <li>Ministry of Labour &amp; Social Security</li> <li>Ministry of Foreign Affairs &amp; Foreign Trade</li> <li>JAMPRO</li> <li>Ministry of Health</li> <li>Ministry of Industry, Commerce, Agriculture &amp; Fisheries (<i>SPS Division</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Compliance improved</li> </ul>	\$0
<ul style="list-style-type: none"> <li>Increase and improve the use of the preferential tariffs in the main products and main markets of export interest.</li> <li>Leverage the provisions of the Foreign Trade Policy to drive exports and take advantage of the existing agreements.</li> </ul>		<ul style="list-style-type: none"> <li>Use of trade agreements increased</li> </ul>	\$0
<ul style="list-style-type: none"> <li>Increase compliance with international and regional standards through initiatives such as regional infrastructure associations to finance quality-related infrastructure, such as accreditation</li> </ul>		<ul style="list-style-type: none"> <li>Compliance improved</li> </ul>	\$5,000,000



Tasks	Implementation Team	Success Indicators	Estimated Fiscal Cost (J\$)
laboratories			
<ul style="list-style-type: none"> <li>Encourage the coincidence of new products in development that have a high Revealed Comparative Advantage (RCA) with markets that offer a high potential for growth of imports and dynamism.</li> </ul>		<ul style="list-style-type: none"> <li>Promotion of identified goods and services</li> </ul>	\$20,000,000
<b>INTELLECTUAL PROPERTY</b>			
Policy Goal: To strengthen the policy framework for safeguarding Intellectual Property in keeping with international standards			<i>Total: \$500,000</i>
<ul style="list-style-type: none"> <li>Repeal and replace the Patent Act of 1857 with a modern version suitable for today's needs</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Industry, Commerce, Agriculture &amp; Fisheries</li> <li>Ministry of Foreign Affairs &amp; Foreign Trade</li> <li>Jamaica Intellectual Property Office</li> </ul>	<ul style="list-style-type: none"> <li>Implement new Patent Act</li> </ul>	\$0
<ul style="list-style-type: none"> <li>Encourage the registration of patent, not only by foreigners but also by Jamaican innovators.</li> </ul>		<ul style="list-style-type: none"> <li>Develop and execute marketing campaign for patent registration</li> </ul>	\$500,000
<ul style="list-style-type: none"> <li>Prioritize Jamaica's accession to the Madrid Protocol</li> </ul>		<ul style="list-style-type: none"> <li>Ratification of the Madrid Protocol</li> </ul>	\$0
<b>PROMOTION &amp; MARKETING</b>			
Policy Goal: Through application of current and cutting-edge strategies and technologies, position Jamaica as the investment destination of choice in the Caribbean Region for international companies and investors.			<i>Total: \$3,500,000</i>
<ul style="list-style-type: none"> <li>Draft an investment promotion strategy for all MDAs involved in the process of investment promotion and facilitation.</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of National Security</li> <li>Ministry of Labour &amp; Social Security</li> <li>Ministry of Foreign Affairs &amp; Foreign Trade</li> <li>Passport, Immigration &amp; Citizenship Authority</li> <li>JAMPRO</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of strategy</li> <li>Launch awareness campaign among different government stakeholders, including FSOs, who interact with investors aimed at sense of urgency when dealing with investors and encourage</li> </ul>	\$2,500,000

Tasks	Implementation Team	Success Indicators	Estimated Fiscal Cost (J\$)
		professional, high-quality service delivery.	
<ul style="list-style-type: none"> <li>Draft guidelines for the use of Foreign Service Offices (FSOs) in target investment markets by using them to reach out to potential investors</li> </ul>		<ul style="list-style-type: none"> <li>Training of FSOs and implementation of the framework.</li> </ul>	\$500,000
<ul style="list-style-type: none"> <li>Strengthen decision makers on the need to support strategic investment projects with urgency</li> </ul>		<ul style="list-style-type: none"> <li>Bold decisions to support strategic investment projects when they arise.</li> </ul>	\$0
<ul style="list-style-type: none"> <li>Update Investor map</li> </ul>		<ul style="list-style-type: none"> <li>Brand and promote the launch of the investor map</li> </ul>	\$500,000
<b>PROTECTION OF INVESTOR RIGHTS</b>			
Policy Goal: To encourage innovation and investment by domestic and foreign firms through stronger frameworks for effective enforcement and guaranteeing protection of investor rights in Jamaica			<i>Total: \$0</i>
<ul style="list-style-type: none"> <li>Develop a policy position to supplement BITS and the lack thereof for the resolution of disputes between Jamaica and private foreign investors.</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Foreign Affairs and Foreign Trade</li> <li>Ministry of Industry, Commerce, Agriculture and Fisheries</li> <li>Office of the Prime Minister</li> <li>JAMPRO</li> </ul>	<ul style="list-style-type: none"> <li>Approval of policy position by Cabinet</li> </ul>	\$0

## 10.0 Monitoring and Evaluation

A Monitoring and Evaluation Framework is critical to assess the impact of the implementation of the NIP. This is necessary to enhance accountability, transparency and track the progress through ongoing review and analysis of the effectiveness and efficiency of the proposed strategies. In an effort to achieve this, there will be three specific routines which will help in creating deadlines, which in turn will generate a sense of urgency. Without these routines, events cannot be fully understood and, more importantly, results will never be delivered.

Figure 8: Structure of Reports for the NIP



## 11.0 Time Frame

The following is an estimated time frame for the: (i) Strategies for the Mobilization of Private Investments; (ii) Fundamental Rights and Guarantees - Legislation / policies with current impact in the cycle of investments; and (iii) Each of the six PITs. It is suggested that, once formed, each group review and adjust to the time frame.

Table 3: Timelines for the Roll-out of the NIP

Policy Area and Tasks	Months																														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
<b>COORDINATED NATIONAL APPROACH TO SUSTAINABLE INVESTMENT PLANNING</b>																															
Establish a standing-level working body to support sustainable investment planning																															
Develop an instrument for integration of private/public investment or a policy plan for the issue of specific and a coordinated by the executive/provision agency																															
Prepare Sustainable development considerations investment process flow																															
Develop strategic and national entrepreneurship opportunities into business protection and welfare strategies																															
<b>ACCESS TO LAND AND OTHER SOU ASSETS</b>																															
Establishment																															
Provide for compliance National (general) Plan																															
Complete the business process within the IIA																															
Carry out agreements for further investment performance capital control obligation																															
Address gaps into business and IIA area																															
<b>BUSINESS PROTECT AND ENVIRONMENT RETURNS</b>																															
Oversee a National Business Fund																															
Carry out strategic business services investment program																															
Make investor registration numbers																															
Engage with the private sector formally in a multidisciplinary round-table platform																															
Transfer high level issues into implementation targets and detailed sub-plans of efforts including legislation																															
Strengthen and enhance the capacity of institutional arrangements to support the success of business return efforts																															
<b>Development Application Review Procedures (DARPs)</b> - Facilitate the collaboration/interacting between the SIC and the Justice Chamber of Comptroller (JCC) with the aim of updating the Agri-food Development																															
<b>Development Application Review Procedures (DARPs)</b> - Implement a strategic planning framework to include performance management in the Material Conditions (MC)																															
<b>Development Application Review Procedures (DARPs)</b> - Integrate business process return and provide an opportunity of the investment application process																															
<b>INCENTIVISING INVESTMENTS</b>																															
Finalize incentive regime in Ireland																															
Review and update the list of priority-area business rights for the following sectors (Energy, Mining, Creative Industries, Maritime, etc.) and grant automatically based on their eligibility criteria																															
Implement a reporting and monitoring system for the incentive approval under a streamlined regime																															
Support the development of a culture that encourages sustainable development practices e.g. extending public programs																															
<b>ECONOMY-DRIVEN ECONOMIC GROWTH</b>																															
Address current related regulatory obstacles																															
Improve the efficiency of port logistic processes																															
Create a competitive legal environment																															
Identify ways to development to be equalised																															

Policy Area and Tasks																													
	Month	Timeline																											
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
<b>LEADING AND REGULATORY</b>																													
Envision a strategy to use patents to protect or promote a market for their new innovations																													
Engage in strategic economic analysis programs that facilitate these activities																													
Support the national and state law centers that facilitate market innovation																													
Engage universities to track and monitor labor law associated with innovation (both local and foreign) in partnership with PCA																													
Create a business forum devoted to open business in double market																													
Develop a culture specific to the export and processing of trade transactions																													
Conduct a study to make and implement changes in international agreements on labor and migration																													
<b>INTERNATIONAL TRADE</b>																													
Monitor compliance with quality standards, safety and environmental (S&E) and other treaties, especially with regard to food and agricultural products																													
Monitor and explore the use of the potential within the trade policies and mechanisms of export control																													
Conduct the promotion of the "single" trade policy that opens up the advantage of the existing agreements																													
Monitor compliance with international and regional standards through relations with international structure associations to ensure quality related outcomes, such as accreditation laboratories																													
Encourage the consistency of the policies in development for free trade through Comparative Advantage (CA) with national trade policy goals for growth, export and expansion																													
<b>INTELLECTUAL PROPERTY</b>																													
Support the creation and implementation of the law (patents and Copyright) to encourage innovation																													
Encourage the registration of patents not only by companies but also by inventors/innovators																													
Promote inventors' access to the market through																													
<b>PROMOTION &amp; MARKETING</b>																													
Develop investment promotion strategy for SMEs involved in the process of business promotion and realization																													
Develop guidelines for the use of single market rules (SME) to open investment markets by using best practices in internationalization																													
Strengthen business markets in the context of export strategy (business projects with clients)																													
Establish trade fairs																													
<b>PROTECTION OF INVESTOR RIGHTS</b>																													
Develop equity policies to support (SME) and foreign investors for resolution of disputes between investors and public-law entities																													

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## Appendices

### Appendix 1: 2008 – 2017 Legislation - Policy Changes and Business Processes Reforms

#### 2008 – 2017 Legislation and Policy Changes

##### 2008

- Ratified the United Nations Convention against Corruption (UNCAC) in 2005, which took effect in 2008.

##### 2010

- Approval of Vision 2030 Jamaica. National Development Plan.

##### 2011

- Intellectual property rights (IPRs) legislation: - The Trade Marks (Amendment) Rules 2011; the Trade Marks (Amendment) Act, 2013, and the Trade Marks Rules, 2001
- Insurance (Actuaries) (General Insurance Companies) Regulations 2002, amended in 2011
- Privatization of the Kingston Container Terminal
- Designation of Ian Fleming Airport as an international airport
- Establishment of the Falmouth Cruise Ship Terminal
- Completion of the North-South segment of the tolled highway (Highway 2000).
- The Shipping (Load Lines) Regulations 2011, incorporated the International Convention on Load Lines
- Jamaican International Financial Services Authority Act

##### 2012

- Amendment of Telecommunications Act
- Civil Aviation Regulations
- Processed Food Regulations

##### 2013

- The Companies Act was amended in 2013
- The Fiscal Incentives (Miscellaneous Provisions) Act 2013
- The Pilotage (Amendment) Regulations, 2013, to facilitate an increase in the fees payable to pilots
- Custom Tariff Revisions

##### 2014

- Passage of an Insolvency Act to make bankruptcy proceedings more efficient
- New Banking Services Act, under which the power to grant or revoke licenses for deposit-taking institutions is vested in the central bank, the Bank of Jamaica.
- The Omnibus Incentives Legislation, comprising four pieces of legislation was introduced to create a transparent and automatic fiscal incentives framework. The incentives comprise various levels of tax relief, including in respect of customs tariffs, additional stamp duties, and corporate income tax.
- Shipping Fees (Amendment) Regulations

- The Shipping (Declaration of Port of Registry) Order to declare Montego Bay as a port of registry for ships involved in foreign trade
- Amendment of General Consumption Tax
- Securities Act and Regulations

#### 2015

- Special Economic Zone Act
- Shipping (Medical Examination) (Amendment) Regulations
- Promulgation of the Electricity Act
- 30-year concession agreement signed between the PAJ and the Kingston Freeport Terminal Limited (KFTL)
- Minimum Business Tax Act
- Public Procurement Act
- Fishing Industry Act
- Cybercrime Act

#### 2016

- US\$ 1.64 billion program under a Stand-By Arrangement with the IMF signed.
- Ratification of the WTO Trade Facilitation Agreement
- Amendment of Insurance Act
- New Information Communication Technologies (ICT) governance structure to improve service delivery through the use of ICTs
- Open Data Portal to facilitate greater access to and use of government data

#### 2017

- The Ballast Water Management Convention Bill to implement the requirements of the Ballast Water Management Convention

### **2008 – 2019 Business Processes Reforms:**

#### 2008

- Reduction of the time required for dealing with construction permits by introducing a statutory time limit for the issuance of building permits
- Reduction of the time required for dealing with construction permits by introducing a statutory time limit for the issuance of building permits

#### 2009

- Reduction of the property transfer tax

#### 2010

- Lowering transfer taxes and fees in transfer of property, offering expedited registration procedures and making information from the company available online

#### 2012

- Easier payment of taxes for companies by allowing joint filing and payment of all social security contributions
- Reduction of the time to import by allowing customs entries to be lodged at night



2013

- Easier starting a business by enabling the Companies Office of Jamaica to stamp the new company's articles of incorporation at registration
- Improvement of its credit information system by creating a legal and regulatory framework for private credit bureaus
- Less costly payment of taxes for companies by reducing the corporate income tax rate

2014

- Easier starting a business by consolidating forms
- Improved access to credit by establishing credit bureaus and by adopting a new secured transactions law

2015

- Easier starting a business easier by streamlining internal procedures
- Easier dealing with construction by implementing a new workflow for processing building permit applications.
- Easier and less costly paying of taxes for companies by encouraging taxpayers to pay their taxes online, introducing an employment tax credit and increasing the depreciation rate for industrial buildings
- Easier resolution of insolvency by introducing a reorganization procedure

2016

- Less costly paying of taxes by increasing tax depreciation rates and the initial capital allowance for assets acquired on or after January 1, 2014. Furthermore, companies incorporated for less than 24 months are exempted from paying the minimum business tax; implementation of an electronic system for filing of corporate income tax, VAT and social contributions
- Reduction of the time of documentary compliance for exporting by implementing an automated customs data management system, ASYCUDA World.

2017

- Faster starting a business faster by reinstating next-day service for company incorporation.
- Improved reliability of the electricity supply in Kingston by investing in the distribution network through several initiatives
- Reduction of the time for documentary compliance for importing by implementing a web-based customs data management platform

2018

- Access to credit information was improved through the distribution of data from utility companies.

2019

- Property registration was made easier by a reduction in the property transfer tax and stamp duty.

- Enforcing contracts was made easier through the introduction of a judicial performance measurement mechanism that provides publicly available information on time to disposition and clearance rate.

## Appendix 2: Policy Formation Process

The primary goal of the Government of Jamaica (GoJ) through this policy is to enhance Jamaica's business brand by providing a greater level of predictability for the investment community, both local and foreign, and in so doing increase the country's regional and global competitiveness. The NIP will create an all-encompassing oversight framework for a coherent approach to investment and in turn increase the country's efficiency and effectiveness in attracting and facilitating the same.

The idea to develop a National Investment Policy (NIP) was conceptualized and requested by Anthony Hylton in 2014, when he was Minister of Industry, Investment and Commerce (MIIC). JAMPRO had also identified the benefit of having an investment policy to guide its engagement with the other public and private sector stakeholders who also participate in the process of investment marketing, promotion and facilitation, and to ensure seamlessness in the attraction and facilitation of investments.

JAMPRO, as the main entity with responsibility for investment promotion and facilitation, through its Ministry (then the Ministry of Economic Growth and Job Creation), sought and received Cabinet's approval to develop the NIP. JAMPRO successfully engaged the World Bank and secured funding for the development of an investment policy under Component One of the Foundations for Competitiveness and Growth Project (FCGP).

The involvement of additional stakeholders in the process was facilitated through the establishment of the National Investment Policy Steering Committee (NIPSC) and six thematic Working Groups, who were responsible for the elaboration of the six identified priority areas through which several meetings lead to the formulation of the policy statements, intermediate outcomes and actions. The NIPSC and Working Groups comprise strategic and technical experts from the main MDAs, academia, the private sector and civil society.

### Consultations

The participation of stakeholders in the process was facilitated through the working group structures, as noted above (see Appendix 3 for list of members on the NIP Working Groups). In addition, stakeholder meetings throughout the nine months of the consultancy were convened with several players within the following sectors: tourism, logistics, manufacturing, mining, energy, film and BPO as well as with the Jamaica Chamber of Commerce and the EGC through one on one meetings, breakfast meetings and or focus group sessions.

JAMPRO, as secretariat for the NIP collaborated with the Management Institute of National Development (MIND) in an effort to leverage their network of policy players and influencers to secure greater buy-in by hosting two policy forums on the NIP.

The first forum was held in March 2018 and was well attended with approximately 90 stakeholders in attendance representing over 30 MDAs, including the Permanent Secretary of the Ministry of Foreign Affairs and Foreign Trade. The Consultant for the NIP presented his findings thus far which were well received by the audience, as they thought the time had come for a more deliberate approach towards streamlining investments in Jamaica. The main outcomes of the forum were:

- A greater awareness of the development of the NIP
- An increased level of buy-in and commitment from the participants in attendance for the policy and its recommendations thus far
- An awareness of the increased need for cooperation among entities with a mandate that supports the promotion and facilitation of investment and investors.

The second policy forum was held in October 2018, after the consultancy for the Draft Green Paper was completed. Approximately 93 stakeholders attended representing over 25 MDAs. The presentation focused on the recommendations of the NIP and cited the need for full participation and coordination going forward. The primary objectives of the forum were to:

- Validate the Draft Green Paper of the NIP
- Build buy-in among the policymakers and those affected by the policy recommendations
- Begin the process of increasing cooperation among the investment promotion and facilitation public stakeholders
- Facilitate the participation of those government entities involved in the process of promoting and facilitating investment and/or those that might be affected.

Upon completion of the Draft Green Paper letters were disseminated from the Technical Secretariat of the NIP to solicit additional comments on the NIP. The following MDAs provided comments:

- Office of the Cabinet
- Ministry of National Security
- Ministry of Finance & the Public Service
- Ministry of Justice
- National Environment & Planning Agency
- Planning Institute of Jamaica
- Bank of Jamaica
- Attorney General's Chambers
- Ministry of Tourism
- Jamaica International Financial Services Authority
- Ministry of Local Government and Community Development

## Appendix 3: Membership of the National Investment Policy Steering Committee & Working Groups

### National Investment Policy Steering Committee

- Senator Don Wehby, *Chair*
- Civil Society/Academia (Represented by the University of the West Indies), *Deputy Chair*
- Ministry of Economic Growth & Job Creation
- Ministry of Foreign Affairs and Foreign Trade
- Ministry of Finance & the Public Service
- Ministry of Tourism
- Ministry of Transport & Mining
- Ministry of Local Government & Community Development
- Ministry of Industry, Commerce, Agriculture & Fisheries
- Ministry of Culture, Gender, Entertainment & Sport
- Jamaica Promotions Corporation
- Planning Institute of Jamaica
- Development Bank of Jamaica
- Economic Growth Council
- Private Sector (Represented by the Private Sector Organisation of Jamaica)

### Working Groups for the National Investment Policy

Working Groups	Members
Fiscal Incentives	<ul style="list-style-type: none"> <li>▪ Ministry of Finance &amp; the Public Service</li> <li>▪ Ministry of Tourism</li> <li>▪ Ministry of Health</li> <li>▪ Ministry of Industry, Commerce, Agriculture &amp; Fisheries</li> <li>▪ Ministry of Culture, Gender, Entertainment &amp; Sports</li> <li>▪ Jamaica Special Economic Zone Authority</li> <li>▪ Jamaica Customs Agency</li> <li>▪ Tax Administration Jamaica</li> </ul>
Protection of Investor Rights	<ul style="list-style-type: none"> <li>▪ Ministry of Economic Growth &amp; Job Creation</li> <li>▪ Ministry of Foreign Affairs &amp; Foreign Trade</li> <li>▪ Ministry of Justice</li> <li>▪ Tax Administration Jamaica</li> </ul>
Promotion & Marketing	<ul style="list-style-type: none"> <li>▪ Ministry of Tourism</li> <li>▪ Jamaica Tourist Board</li> <li>▪ Port Authority of Jamaica</li> <li>▪ Jamaica International Financial Services Authority</li> <li>▪ Jamaica Special Economic Zone Authority</li> </ul>
Access to Land	<ul style="list-style-type: none"> <li>▪ Ministry of Industry, Commerce, Agriculture &amp; Fisheries</li> <li>▪ Sugar Company of Jamaica Holdings Limited</li> <li>▪ Factories Corporation of Jamaica</li> <li>▪ Port Authority of Jamaica</li> <li>▪ Urban Development Corporation</li> </ul>

Working Groups	Members
	<ul style="list-style-type: none"> <li>▪ National Land Agency</li> </ul>
<b>Labour &amp; Immigration</b>	<ul style="list-style-type: none"> <li>▪ Passport, Immigration &amp; Citizenship Agency</li> <li>▪ Ministry of Foreign Affairs and Foreign Trade</li> <li>▪ Ministry of National Security</li> <li>▪ Ministry of Labour &amp; Social Security</li> <li>▪ Ministry of Finance &amp; the Public Service</li> </ul>
<b>Development Approvals</b>	<ul style="list-style-type: none"> <li>▪ [Development Applications Review Process Project Steering Committee]</li> </ul>

## Appendix 4: Brief on the Work of the NCC and its list of Implementing Agencies

### Overview

The National Competitiveness Council (NCC) is a public-private partnership body established in 2010 primarily to advance policy advocacy, research and public awareness of reform initiatives that facilitate the creation of an enabling environment for businesses in Jamaica. The initiatives monitored and facilitated by the Council are taken from the Business Environment Reform Agenda (BERA)<sup>30</sup> and are specifically focused on enhancing Jamaica’s performance in key international indices such as the Doing Business Report (DBR), the Global Competitiveness Index (GCI), and the Logistics Performance Index (LPI).

The Minister with responsibility for Investments acts as the Chair for the NCC while the work of the Council is managed through a Secretariat established at JAMPRO.

### Membership of the NCC

The permanent membership of the NCC is made up of ten private sector entities and ten public sector entities. They are assisted by several other referral and implementing agencies (*including the municipalities*) across all of government for the execution of the different reforms noted on the BERA.

Table 1: Permanent Members of the NCC

Private Sector	Public Sector
<ul style="list-style-type: none"> <li>▪ Jamaica Manufacturers’ and Exporters’ Association<sup>31</sup></li> <li>▪ Jamaica Bankers’ Association</li> <li>▪ Jamaica Bar Association</li> <li>▪ Private Sector Organization of Jamaica</li> <li>▪ Jamaica Chamber of Commerce</li> <li>▪ The MSME Alliance</li> <li>▪ Representative of the Economic Growth Council</li> <li>▪ Representative of Academia</li> <li>▪ Representative of Civil Society</li> </ul>	<ul style="list-style-type: none"> <li>▪ Planning Institute of Jamaica</li> <li>▪ Jamaica Promotions Corporation</li> <li>▪ Office of the Cabinet</li> <li>▪ Ministry of Economic Growth &amp; Job Creation</li> <li>▪ Ministry of Industry, Commerce, Agriculture Fisheries</li> <li>▪ Ministry of Finance &amp; the Public Service</li> <li>▪ Ministry of Justice</li> <li>▪ Ministry of Local Government &amp; Community Development</li> <li>▪ Ministry of Labour &amp; Social Security</li> <li>▪ Ministry of Science, Energy &amp; Technology</li> </ul>

<sup>30</sup> Developed in collaboration with the World Banks DBR Team.

<sup>31</sup> The Jamaica Manufacturers’ Association and the Jamaica Exporters’ Association merged to form the JMEA in 2018.