

JAMAICA

Wide open for business

Jamaica

has long been known for its stunning physical beauty and globally-reaching culture, and now, under the new administration of Prime Minister Bruce Golding's Jamaica Labour Party, in power after 18 years in opposition, the focus is on building a reputation as a business and investment center, with Ireland as its role model.

Golding touts the excellent geographic location between North, Central and South America, English-speaking population, skilled workforce and excellent telecommunications, boosted by investment from Ireland's own Digicel. This year's budget shows the new government's shifted priorities: "We have built into the budget a firm determination to reduce the long-standing deficit, beginning right now," says Golding. "We also commit to removing tuition fees for high school and charges in public hospitals, and aim to extend compulsory schooling by two years. That is essential to increasing opportunities and reducing poverty. We are also pushing the expansion of tourism, but shifting the emphasis from the mass to the value-added market."

Finance Minister Audley Shaw's budget focuses on encouraging new investments and jobs and increasing competitiveness

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Bruce Golding, Prime Minister

to achieve growth of 6-10%. Jamaica is to be marketed as a single global brand to increase its clout and identity, bureaucracy and corruption are to be aggressively targeted, and several state entities privatized imminently, while linkage industries, such as food processing for the tourism industry, will be promoted. Despite the global slow-down, growth should still top 3%, while traditionally high inflation has finally been brought under control.

A prime example of the dynamic and ever-evolving Jamaican financial sector is the stock brokerage Stocks & Securities Ltd. (SSL), established in 1977 and the second-oldest stock broker on the island. With "Life Appreciates" as its slogan, SSL's goal is to create a lifestyle financial brand in the local wealth management arena. "Our competitive advantage is being able to make critical and efficient decisions and executing them from a company and clientele perspective

in a timely and effective manner," says SSL's 26-year-old president and CEO Mark Croskery. "We control 90% of the high network Jamaican market where we really want to be, and set up deals across all areas. We are an investment bank; we have a seat on the Jamaica Stock Exchange and we also operate a currency exchange."

SSL is dedicated to 'Profitable Performance', which it strives to quantify internally by setting profit and hurdle rate targets on a monthly, quarterly and annual basis, and externally through meeting confidentially with clients to assess their goals and risk tolerance, before formulating a satisfactory target to achieve joint gains.

"We are technologically-driven and efficient, and could as easily be in Manhattan as in Jamaica," says Croskery, who



Bruce Golding
Prime Minister

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Mark Croskery
President and CEO,
Stocks & Securities Ltd.

also sits on the board of the Sugar Company of Jamaica and the Jamaica Racing Commission. SSL has, he says, the best website for a financial house in Jamaica and a young and progressive research team, which is boosted by educated people returning to Jamaica.

SSL's overall goal is to diversify and it is looking into partnering with an international company to benchmark itself against. In terms of long-term expansion, SSL will be looking at the Montego Bay wealth management market and in the longer term still, mutual fund management and merchant banking.

Pulse Investments Ltd. is one successful and original local company which, although situated in the sometimes fickle entertainments sector, has drawn on Jamaica's global influence and listed itself on the Jamaica Stock Exchange. "Everybody was saying there was money to be made from the fashion industry but didn't invest in it, so we put our money where our mouth was, and are now doing better than ever before," says CEO Kingsley Cooper. "Shareholders have benefited from a 20% premium in stocks, and the company's potential for growth and profit is enormous."

Pulse conceived and continues to run the region's most successful fashion event, Caribbean Fashionweek, which Cooper believes gives impetus to a possible market of 10 million yearly tourists to the region. The company also has



Caribbean Fashionweek, Kingston, Jamaica. www.caribbeanfashionweek.com

a highly successful modelling agency with Nadine Willis, the world's leading black model, on its books, and produces music and television shows which reach the U.K. via MTV. Cooper aims to make Pulse a global brand and is seeking international expertise to this end.

Towards sustainability

Minister of Agriculture Christopher Tufton, meanwhile, is looking to reduce Jamaica's dependence on imported food and to increase national production to meet the country's needs, especially helping poorer people at a time of high food costs. To this end, the government is developing a cassava industry. The minister's mantra is that "Jamaicans should eat what they grow and grow what they eat" and he is encouraging people to produce their own crops. "More land must be put into food production. There is certainly no lack of fertile land for cultivation," he says. The ministry is heavily investing in upgrading rural roads in order to encourage further agricultural exploitation.

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Christopher Tufton, Minister of Agriculture

One of Jamaica's most lauded brands is Appleton Estate Jamaica Rum, owned by local group, Lascelles De Mercado, and with a 250 year exporting tradition to upkeep. Appleton is the number one gold rum in Jamaica and Canada and the company exports 80% of its products to some 70 countries, including the U.K. Sales grew by 22% in 2006 and now 1.2 million cases of Appleton rum are sold every year, with the company having also achieved ISO 9001:2000 Certification and HACCP standards.

The brand has two ranges: premium estate variants and a standard range



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which includes Appleton Special Jamaica Rum. The premium estate variants include the prestigious Appleton Estate Extra 12-year-old rum which won 'Best in Class' at the 2005 International Wine and Spirit Competition. "When we claim a 12-year-old rum, it means it has been stored here in Jamaica for 12 tropical years, and not in a warehouse somewhere abroad, which makes our product special and unique, giving it an oaken flavour," says Lascelles and Appleton CEO William McConnell. "We are far more focused on the quality than the quantity produced nowadays."

while the group has both local and international companies under its umbrella. The best known is General Accident Insurance Company, whose sole shareholder is Musson. Other successful local names include Seprod, manufacturer of oils and corn-based products.

Going places

Transport and infrastructure have been earmarked for immediate improvement, which will be key in attracting investment in all areas of the economy. Under Minister of Transport Michael Henry, an aggressive approach to upgrading transport facilities for business, locals

Air Jamaica has a formidable track record, having won 'Best Airline into the Caribbean' at the World Travel Awards eight years in a row. It brings over 70% of air cargo into the island, has among the highest customer loyalty and is even a national carrier of Barbados. "All over the world, Jamaicans—who number as many off-island as on—are passionate about their flagship airline and gravitate towards us, giving critical mass to operations, and this is why we must keep the brand sustained as our strength," Williams says.

The airline is renowned for its champagne breakfasts for all, two suitcase allowance, providing meals on all flights and high ratio of cabin crew to passengers, and currently offers over 350 weekly flights to 17 destinations in North America and the Caribbean. It currently has 14 aircraft, 2,500 staff and brings the highest number of passengers to the island.

Air Jamaica flies to the U.K. through Gatwick and Manchester and is looking to connect to the rest of Europe, with a new investor. Dual location flights from Europe to link with other Caribbean isles are a possibility, and South and Central America potential new destinations.

"All over the world, Jamaicans are passionate about their flagship airline."

Shirley Williams, Executive Chairman, Air Jamaica

Appleton is continuing to grow exports through its distributor, J. Wray & Nephew Ltd., and has a unique claim to fame in having the world's first female master blender, Joy Spence, on board.

Master trader

The Musson Group is the largest and oldest trading company in the Caribbean and, for much of its 188-year history, has been a key food distributor in Jamaica. The group has grown, by acquisition, into a diversified conglomerate with additional interests in manufacturing, financial services, pharmaceutical and telecom distribution and real estate. Musson now operates in 24 regional countries, including the United States. The group is headed by Desmond Blades and is undergoing constant expansion.

The principal food line is NuPak which has been a household name in Jamaica for decades and specializes in non-perishable and canned food products,

and tourists is already under way. Extensive road improvements include a freeway to link the northern resort of Ocho Rios with Kingston.

Existing cruise ship ports will be expanded and a new port catering to mega-cruisers constructed at Falmouth, while the nation's railway network—the world's oldest outside the U.K.—is to be redeveloped for up-scale tourism. Kingston's Norman Manley International Airport will be privatized and a new airport constructed in the northeast to accommodate the largest craft, turning the island into a regional hub.

Improving the fortunes of loss-making national carrier Air Jamaica is also a priority. "Our primary focus is to make the airline attractive to an investor, which we hope to identify by March 2009," says executive chairman Shirley Williams. "By then we will have ended subsidies to the airline which I sincerely believe can be profitable if we operate competitively in the short run."

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