



# Jamaica

## The island of opportunity

### COUNTRY PROFILE

**LOCATION**  
Island in the Caribbean Sea, south of Cuba

**POPULATION**  
2,758,124 (July 2006 est.)

**GDP**  
Purchasing power parity  
\$11.56 billion (2005 est.)

**REAL GROWTH RATE**  
1.5% (2005 est.)

**INDUSTRIES**  
Tourism, bauxite/alumina, agro processing, light manufactures, rum, cement, metal, paper, chemical products, telecommunications

**AGRICULTURE PRODUCTS**  
Sugarcane, bananas, coffee, citrus, potatoes, vegetables, poultry, goats, milk

**EXPORTS**  
Alumina, bauxite, sugar, bananas, rum

**TRADE PARTNERS**  
U.S., EU, Canada

Source: CIA World Factbook



▶▶▶ JAMAICA'S POSITION AS A KEY MEMBER OF THE CARIBBEAN COMMUNITY, AT THE VANGUARD OF REGIONAL EXPANSION, IS BEING CEMENTED BY INTERNATIONAL INVESTMENT AND LOCAL GROWTH

## Forward-looking island banks on its 'creative spirit'

In a new wave of changing political leadership worldwide, Jamaica followed Germany, Liberia and Chile by welcoming the nation's first female prime minister, Portia Simpson-Miller, earlier this year. Mrs. Simpson-Miller, leader of the People's National Party (PNP) and former minister of local government and sport in the outgoing cabinet, was sworn in on March 30, 2006. In her inaugural address she pledged to eradicate crime and corruption, fight poverty, maintain the country's macroeconomic stability and international credibility, reform education policy and boost the job market. Former Prime Minister PJ Patterson, also part of the PNP, called the leadership change "transparent and seamless", saying that Jamaica "will rise to new levels of economic growth and witness upward social mobility."

January 2006 saw the start of a new era for the Caribbean, with the launching of the Caribbean Single Market Economy (CSME), an extension of Caricom (the Caribbean Community), Jamaica is looking to reap the rewards of a decade of preparation that has converted it into a lead-

ing regional voice and has created one of the most promising economies within the Caribbean single market, which comprises six of the fifteen Caricom countries: Jamaica, Trinidad and Tobago, Barbados, Guyana, Suriname and Belize. The six members of the Organisation of Eastern Caribbean States (OECES): Antigua and Barbuda, Dominica, Grenada, St. Lucia, St. Kitts and Nevis and St. Vincent and the Grenadines, are due to join the initiative in June 2006. The remaining three Caricom nations, the Bahamas, Haiti and Montserrat, will follow but have yet to formally sign the agreement.

Under the previous prime minister, Jamaica planted the foundations for development. Macroeconomic indicators are stable, growth is set for 2.9 per cent this year, major infrastructure improvements have led to high levels of new development, and foreign investment is on the rise. The CSME will be essential to secure the future of Jamaica and of Caricom, and in promoting unity among the individual states in the region.

Jamaica is on its way to becoming a nation with first-class infrastructure and access to universal education and training, preparing citizens to reach their full potential in the global village. Developments in the country throughout the last few years have come a long way in achieving this goal. New highways now connect previously isolated areas and facilitate large-scale developments in tourism. Port



Jamaica's strategic location between the US and South America, and its natural beauty, are generating significant increases in the amount of tourism and foreign investment coming to the island.

expansion has led to increasing interest from international companies who see Jamaica as a logistics hub for the Americas. The communications infrastructure is practically on a par with the most advanced systems worldwide and opportunities for new partnerships in various sectors have arisen.

Mrs. Simpson-Miller pointed out that, in order to maintain the current levels of growth and active participation in the global community, it is necessary to build on the legacy of interparty and international collaboration. "Unity is a prerequisite for success," she said. "Let us launch a new era of cooperation, working together in the interest of all Jamaicans."

In a country where it has been historically difficult for women to hold leadership positions, this is a breakthrough. Mrs. Simpson-Miller follows in the footsteps of only two other female prime ministers within the Caricom region, Eugenia Charles, who governed the Dominican Republic from 1980 to 1995, and Janet Jagan, who was President of Guyana between 1997 and 1999. Mrs Simpson-Miller's victory is considered "a long-awaited affirmation of the ability of women to lead." And lead she will, as the new prime minister says she is eager to "unleash the Jamaican creative spirit that can move the country forward."

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PAVING THE WAY FOR ANOTHER 50 YEARS OF NATIONAL ADVANCEMENT

## The Planning Institute of Jamaica: understanding Jamaican society

Fifty years after its conception, the Planning Institute of Jamaica is still working to promote national development while courting foreign investment.

THE PLANNING INSTITUTE OF JAMAICA (PIOJ) celebrated its 50th anniversary last year. Established in 1955 as the central planning unit, the agency's role was to act as a guide to the newly independent state and assist in its transition from a colony to independence. As such, the agency has been around for nearly as long as Jamaica's statehood and has accompanied the country throughout nearly every step of its existence. According to Director General Dr. Wesley Hughes, the original mission of the then central planning unit was to "understand, measure, research and find data about the Jamaican economy and society, and to present proposals and policy ideas to the government." In short, the agency's role was to help teach Jamaica about itself.

"Essentially we did not know much. We were a British colony, and there was information, but most of it was for the colonial office in London," he explains. Consequently, the central planning unit began a tradition that carries on today: the publication of an annual development report entitled the *Economic and Social*



*Survey of Jamaica*. In 1972, the unit was renamed the National Planning Agency, and in 1984, it became the Planning Institute of Jamaica (PIOJ).

PIOJ has played an instrumental role in the development of the country and it has in fact fulfilled for itself one of the main duties it was originally called on to carry out for the government - it has come to know Jamaica. The process has been trial and error, according to Dr. Hughes, who says that the agency's first great successes came about in the industrial boom of the 1950s and

1960s, but they came at the cost of the island's rural communities and agricultural sector. He explains, "We made significant progress in terms of investment in those days, using the import substitution model. We built up a lot of small scale manufacturing industries and growth rates were high. It was a period

of tremendous excitement because we were getting large investments." However, these industries lured workers to urban areas and the government began subsidizing food imports so that plant workers could afford to feed themselves cheaply. This decimated domestic agriculture, according to Dr. Hughes, as people ate imported rice and other products, and consumption habits changed, contributing to a decline in agriculture and even higher levels of urban migration. He adds, "It was the unintentional consequence of a public policy designed to accelerate growth."

The following 20 years brought globalization and increased competition, and although the government fought hard to keep its industries through subsidization, it eventually realized that this policy was not sustainable in the long-term. Today, few of those industries are still operating, but the experience helped PIOJ evolve and create a new model of development which

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# Jamaica

## Understanding and measuring Jamaican society

Continued from previous page

Dr. Hughes calls "organic". The new model relies more on the private sector and focuses on a government that sets up the infrastructure for private sector growth. This has prepared the country for the new growth it is now experiencing. "PIOJ," states Dr. Hughes, "has the ability to analyze the problems of development with hindsight and possible foresight in a very profound way. Our main achievement is having devised an approach to economic management and economic planning that has, in a sense, put us in the position to achieve the take-off that I think we are beginning to see the incipient stages of - with significant investment flows that we have not seen since the early 60s." Looking forward, Dr. Hughes says the government will now work towards the redevelopment of Kingston, and continue with major infrastructure projects such as Highway 2000. This project is the centerpiece of the Millennium projects program launched in 1999 - the highway will connect the capital, Kingston, with Montego Bay and Ocho Rios on the North coast of the island.



DR. WESLEY HUGHES  
PIOJ Director General

BUILDING ON YEARS OF COLLABORATIVE INVESTMENT AND ECONOMIC PROGRESS

## Balanced growth through innovative, reciprocal banking

The Development Bank of Jamaica is providing the catalyst for rapid yet controlled national economic growth and the promotion of tourism on the island.

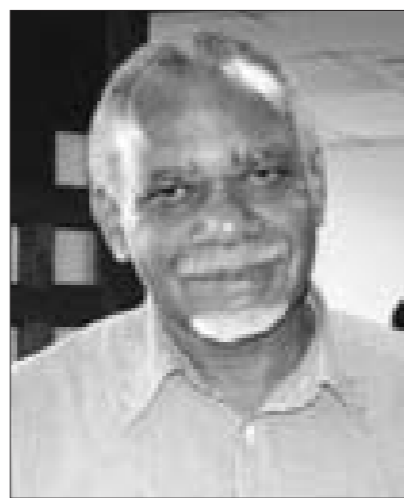
WITHIN the last five years, the Development Bank of Jamaica (DBJ) has been a major player in facilitating investment and growth within the country. Created in 2000 following the merger of the Agricultural Credit Bank of Jamaica and the National Bank of Jamaica, The DBJ's main mission is to mobilize resources and provide access to a menu of affordable loan products and non-lending development services for the agricultural, agro-industrial, information processing, manufacturing, mining, and tourism industries.

In the past few years, the bank has seen a doubling of its lending activities and significant increases in loan ap-

provals to key sectors of the economy. Under Managing Director Kingsley Thomas, DBJ has taken an innovative and proactive approach to the country's development through the promotion of special projects and programs that are aligned with the government's priorities. Nearly all of Jamaica's major infrastructure projects bear the stamp of DBJ, and some of the largest tourism projects now underway on the island are also initiatives of the bank. The bank's investments are already having a noticeably positive impact on the levels of economic growth and job creation.

Its most recent endeavor is also one which could very well revolutionize Jamaica: Highway 2000. The 223-kilometer long four-lane motorway will connect Kingston to Montego Bay and Ocho Rios, stretching to connect both ends of the island. The benefits are already visible, as Highway 2000 has already seen high-level use on completed segments and, more importantly, the stirrings of economic development in regions that are newly connected. Plans for new housing developments have been proposed for some areas along the corridor, and approvals for new plants and factories have been sought in other previously inaccessible zones. "Highway 2000 is intended to open up Jamaica. It's not just the roads, it's about what it does," states Mr. Thomas. "The project is intended to open up Jamaica to allow for a balance in economic development."

Nearly all of Jamaica's major infrastructure projects, and some of the largest in tourism, bear the stamp of DBJ



MR. KINGSLEY THOMAS  
DBJ Managing Director

Harmony Cove, DBJ's second-largest project, is a 1,400-acre integrated luxury resort colony planned for the northern coast of the island. It will be made up of estate villas, elegant homes and town homes, fine resort accommodations and boutique hotels for guests and residents. The development will include two championship golf courses, conference facilities and a convention center, a convention hotel, a family resort, a boat marina and a world-class spa. The complex will also boast over 60,000 square feet of boutique and signature retail facilities.

Other projects developed by DBJ include the Falmouth redevelopment project, which sets its sights on rebuilding the historically significant town and recreating major attractions, boosting tourism and providing a catalyst for further de-



Harmony Cove, a world-class luxury resort, is the DBJ's flagship tourism development.

velopment in the town and its surroundings. Another venture, the Jamaica Music Revue, is a 100-minute theatrical extravaganza which uses the island's best talent to showcase the evolution of Jamaican music and dance. The inner-city housing development project is the government's effort, with, of course, the DBJ's collaboration, to promote sustainable development in the inner city communities of the Kingston metropolitan area. The plan calls for building 5000

units over a three-year period at a total cost of \$3 billion. Mr. Thomas is also the driving force behind Jamaica Lifestyle Villages, gated master-planned communities geared towards retirees and designed to promote a healthy lifestyle for people aged over 50. The resort-style villages will offer individualized services, independent living and assisted care, and include jogging trails, a fitness center, restaurants, community centers with activities and Internet cafes.

TOURISM PROVING THE JEWEL IN JAMAICA'S INTERNATIONAL PROMINENCE

## Tourism boom provides means of diversification

Burgeoning international investment and an increase in visitors are showcasing the Jamaican tourism industry on the international market.

JAMAICA has been referred to as the place where heaven spills into the sea. From its rugged mountainous interior to its lush green coastline, from its numerous waterfalls and rivers to its infinite array of brightly colored flora and fauna, the island's natural beauty is unmatched. It is the gem of the Caribbean, and ranks

among the top five most favoured tourist destinations in the world. "Here Jamaica greets you, everybody smiles," says Minister of Industry and Tourism Aloun Ndombet-Assamba. "This is important because when our visitors come, we want them to experience the warmth and personality of Jamaica."

The island paradise is attracting an international market, and Jamaica is gearing up to see new growth in its tourist industry in the next few years. Tourist figures on the whole continue to increase, as 2005 saw 2.6 million visitors, up 4.5 per cent from the previous year, which also saw record-breaking Cruise passenger arrivals with an increase of 3.3 per cent from last year. In 2005, the es-

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# PIOJ 50<sup>th</sup>

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# Jamaica



A rise in investment and tourist revenue will facilitate new leisure ventures, such as Cricket 2007.



A wider range of niche activities will add to Jamaica's traditional honeymoon market.

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Estimated gross visitor expenditure was \$1.5 billion. European arrivals alone were up by 10 per cent last year, a trend the government thinks is just beginning, and Jamaica has been named an approved destination by the Chinese government. Spanish hotel chains are investing \$550 million in 13 new hotels on the island and new large-scale development projects are underway in Montego Bay and Harmony Bay.

As a result of the boom, Minister Ndombet-Assamba is looking to diversify the island's tourism offer, expand on new markets, and extend opportunities from tourism to other sectors of the economy. Efforts are underway to build on Jamaica's vibrant cultural and musical heritage and draw visitors out of their hotels. The growing list of activities, such as horseback riding, ATV trails, and mountain biking, has been upgraded to include soft adventure



ALOUN NDOMBET-ASSAMBA  
Minister of Industry and Tourism

sports like canopy excursions, rubber river tubing and waterfall climbing.

A group of companies which make up the conglomerate Unique Jamaica, formed by events organizers and transportation providers, arrange reggae and gastronomy tours. A wider range of niche markets will also add to Jamaica's traditional wedding and honeymoon destination market. A new sports facility in Montego Bay is being built in preparation for Cricket 2007, an international sporting event, which will also be effective in generating sports tourism. Promotions are in the pipeline for golf holidays, as the North Coast alone is home to countless courses, golf academies and driving ranges. The health and spa market is likewise opening up, as hotels clamour to create their own, unique spa experiences, while Bath Fountain and Milk River Bath are two facilities which rival and even surpass famous world-renowned spas. Larger capacity hotels are also being constructed, and smaller hotels are adding on.

While Americans currently account for 70 per cent of the island's visitors, Jamaica is intent on expanding its reach within Europe, Asia and Latin America. Minister Ndombet-Assamba confirms the new focus on the European market. New campaigns have helped increase the number of visitors from the other side of the Atlantic. Airlines such as Virgin Atlantic are adding Jamaica to their itineraries, and other European and international airlines are looking into offering direct flights. Likewise, duty free stores attract visitors, as they can buy major brands of perfume, jewellery, and alcohol at lower prices. The government also predicts that China will be among the top countries sending tourists to Jamaica, with the potential to increase exponentially.

TECHNOLOGICAL ADVANCES PROMOTE JAMAICAN COMMERCIAL POTENTIAL

## Broadband technology the driving force behind telecommunications revolution

**Cable and Wireless Jamaica is leading the island's surge in wireless technology and helping to create a regional flagship for modern communications systems.**

JAMAICA'S teledensity has soared from 30 per cent to over 80 per cent since the liberalization of the sector in 2001, and telecommunications investment is driving Jamaica's new growth, according to Minister of Commerce, Technology and Science Phillip Paulwell. Today there are 1.8 million cellular users in Jamaica, two new fiber networks are on the way and

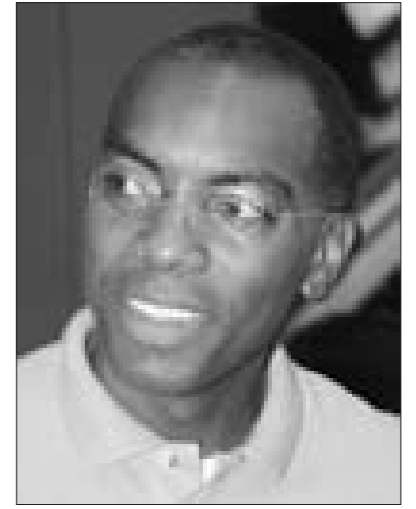
the government is looking to convert the island into a hub for all of Latin America.

"The infrastructure here is going to create a very positive image of Jamaica," states Mr. Paulwell. The government has established the Caribbean Institute of Technology with Microsoft, there is a focus on wireless technology, and a new e-learning project will roll out broadband service in secondary schools. Efforts are also underway to increase the current 10 per cent penetration rate to 40 per cent within the next three years.

Jamaica's largest integrated telecommunications company, Cable & Wireless Jamaica (CWJ), is streamlining its image and looking to broadband technology

and the Internet to continue to drive growth. A Jamaican tradition, CWJ has been operating for over a hundred years, is one of the country's largest employers and has its own foundation, responsible for contributing to social issues like health and education. CWJ also provided Jamaica with its first world telecoms infrastructure, opening up access to global markets.

Maintaining a monopoly in the telecommunications sector until liberalization five years ago, CWJ has restructured to face the new competition and has emerged stronger. CEO Rodney Davis comments, "As we move forward, you will find a much more crisp, clear and direct Cable & Wire-



RODNEY DAVIS  
President and CEO of Cable and Wireless

less, coming back into the marketplace with the relevant products needed by consumers and deploying the leading-edge technology that leads consumers to where they need to be."

JAMAICAN PORTS OFFER HUB FOR AMERICAS

## Infrastructure overhaul invites international trade agreements

**Upgraded roads and ports and the increased accessibility this offers is attracting the interest of international investors and improving daily life for residents.**

IN 1999 the government announced the Millennium Projects Program, a multi-year infrastructure development plan which had as its centerpiece the construction of the massive Highway 2000. Since then Jamaica has gone on to upgrade its airports, public transport systems, ports and, most importantly, its

traversing the mountainous interior of the island was gradually replaced with the ease and speed the highway provides, the secondary effects on Jamaica's development were beginning to change the face of the island. "We believed that the road to development was the development of roads," says Minister of

**'Jamaica is on the verge of a major take-off in terms of becoming the Dubai of the Caribbean, and a major commercial center'**

Transport and Works Robert Pickersgill, who adds that the development of the North Coast Highway, a spin-off of Highway 2000, has opened up a whole range of new possibilities. "Many hotel investors were awaiting infrastructure improvements there, and once it became clear that it was going to happen, there has been a steady flow of investment. We just had a visit from the Spanish Ambassador and he spoke of 10,000 new hotel rooms in the next five years, and this is all because of the development in roads." For Jamaicans, says Minister Pickersgill, the reduction of commuting times from surrounding towns to Kingston has been cut from hours to practically minutes, and this contributes to a rise in quality of life that makes the small tolls on the highway seem insignificant.

In January of this year completed segments of Highway 2000 were already registering daily use far exceeding original estimates and, as the previously arduous and lengthy task of

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The North Coast Highway development has led to further investment in the hotel industry.

The Port of Kingston, which is the seventh largest natural harbor in the world, is now entering its fifth stage of expansion, and it is looking to expand its commercial free zone facilities to provide logistics services for companies worldwide. Also, new distribution centers on the island such as Tinson Pen have been



ROBERT PICKERSGILL  
Minister of Transport and Works

equally as exciting. The Port of Kingston has been undergoing rapid and major expansion throughout the last few years and the Port Authority is aiming to convert Jamaica into a major logistics and distribution hub for the Americas. Ongoing talks with China, as well as recent agreements with international shipping companies such as Israeli-ZIM Lines, are boosting the Port's stature and pointing to a major turning point in the country's importance as a major international logistics center. "Our thinking in terms of the future development of Jamaica is as the main distribution hub, as well as the commercial center of the Caribbean region," states Vice-President of the Port Authority of Jamaica Robert Stephens. "We are one of the few ports that have the capacity to handle the big shipping lines, and there are few ports in the region that can take a ship that is in excess of 8,000 TEU's (twenty-foot equivalent units). Certainly, from the perspective of investors and the people involved in the shipping industry worldwide, Jamaica is on the verge of a major take-off in terms of becoming the Dubai of the Caribbean."



## Jamaica, the hub of the Caribbean

On the verge of a major trade take-off, Jamaica is set to become the hub of the Caribbean. With world-class infrastructure realizing its full potential, the country is relying on its transport authorities to boost business to new heights. The Airport Authority is striving to provide and maintain a safe, efficient and modern airport system, while the Ports Authority is seeking partners for its next phase of expansion. As the seventh largest natural harbor in the world, the Port of Kingston is undergoing a rapid and major development plan to increase its commercial free zone facilities and provide logistics services for companies around the globe.



Ministry of Transport and Works

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