



Lateinamerika Verein e.V.  
Wirtschaftsvereinigung für Lateinamerika

## Länderbericht Jamaika

Als Zusammenfassung des Besuchs des Außenministers von Jamaika, Senator the Hon. Arnold J. Nicholson, QC, und dem damit verbundenden Business Seminar am 19.06.2014 in Hamburg, gab Laurence Jones (European Regional Manager bei JAMPRO in London) dem LAV ein schriftliches Interview.

**Mr. Jones,**

**thank you very much for the interesting Business Seminar on June 19<sup>th</sup> of 2014. The most important areas to invest in Jamaica that were mentioned in the seminar are port logistics, high quality agricultural products, supply of services (e.g. call centres) and renewable energies. Could you please describe further sectors that could be relevant for investors?**

In addition to the aforementioned area, tourism remains an important area of investment for Jamaica. The traditional leisure tourism segment continues to thrive and represents significant opportunities for investors willing to do boutique hotels or hotels on a grander scale with a couple of hundred rooms. Amazing undeveloped beach front land exists for the development of such hotels in the prime tourist destinations such as Montego Bay, Negril and Ochi Rios. In other parts of the island such as Portland, opportunities exist for eco-tourism and adventure eco-tourism products. With its rustic charm, forested mountains, waterfalls, and river rafting, Portland Parish is the least developed resort area in Jamaica and the most rugged and scenic.

**One important area is the supply of services e.g. call centres. Is it possible to estimate the current capacity of this sector? Are there capacities to extend this sector?**

Estimates put Jamaica's business process outsourcing (BPO) industry at employing around 14,000 persons. Considering the population size, a high unemployment rate and the fact that Jamaica is the regions 3rd largest English speaking population, there is room for the sector to more than double in size. Currently, approximately 70% of the industry is located in Montego Bay – on Jamaica's north coast – but the larger talent pool, and more populous area is in and around the capital Kingston, which is on the south coast. In summary, Kingston and its environs are virtually untapped and are beginning to be noticed by a few large outsourcing providers. One recent entrant, Sutherland Global Services, has scaled to 700 agents in 6 months of operation and is about to lease another facility.

**One of the most important areas to invest in is the port of Kingston. What are the core competences of the port and what makes the port special and attractive for investors?**

Core competences are managing containerized cargo, stevedoring & logistics, berthing, electronic data interchange and domestic container handling.

**Could you please provide us with the most important numbers about the port of King-**

**ston (e.g. size of the area, number of containers handled etc.)?**

The Kingston Container Terminal (KCT )is the region's leading container transshipment port with rated capacity of 2.8 million TEUs. KCT is currently undergoing divestment, which will result in the port being dredged to a depth of 15 metres, to accommodate post Panamax vessels and further development of the container handling infrastructure.

The top 4 Global carriers call at KCT are ZIM, CMA CGM, MSC and Hapag Lloyd

15 International shipping lines call on Kingston weekly and they dispatch to over 100 global ports

A privatization programme is in progress. Three bidders have made submissions. The bids are currently undergoing evaluation and a preferred bidder will be selected by final quarter of 2014.

**Which appeals can Jamaica give to German investors in general?**

To the global investor community, Jamaica is the third largest English-speaking country in the Western Hemisphere. Jamaica offers well-developed infrastructure with world-class highways, airports and seaports. Jamaica has a strong air connectivity. Frequent flights go to major gateways worldwide. Also it offers an impressive sea connectivity , with the first transshipment port in the region. Jamaica counts on a robust and redundant telecommunications infrastructure and a near shore advantage. It is located within a 4 hour flight radius of 500 million people. Another important factor is the vibrant and stable democracy with elections held every five years.

**Which type of fiscal incentives does the government of Jamaica give to Investors?**

The government of Jamaica offers various benefits. I will mention the most important facts.

**THE FISCAL INCENTIVES ACT:** this is targeted at small and medium size businesses and provides for the reduction of the effective corporate income tax rate by applying an Employment Tax Credit (ETC) at a maximum value of 30% and a Capital Allowance applicable to a broadened definition of industrial buildings.

**THE INCOME TAX RELIEF ACT (Large-Scale Projects and Pioneer Industries):** this is targeted at large-scale projects and/or pioneering projects and provides for an improved and more attractive rate for the Employers' Tax Credit (ETC). Projects to be designated either as large-scale or pioneer will be based on the decision of Parliament having been informed by an Economic Impact Assessment.

**REVISED CUSTOMS TARIFF:** this is targeted at the productive sectors and provides for the 0% duty on capital equipment and raw material. Persons in manufacturing, tourism and Creative industries stand to benefit from duty free importation of industry-related consumer goods.

**REVISED STAMP DUTY ACT:** this is targeted at the manufacturing sector and provides exemption from additional stamp duty on raw materials and non-consumer goods.

**JAMAICA FREE ZONE ACT:** companies designated with the Free Zone status are permitted to import items free of customs duty, value-added tax (called the General Consumption Tax – GCT) and other port related taxes and charges for an indeterminate period. Profits earned are also free from income tax for an indeterminate period. Eligibility is dependent primarily on the exportation of 85% of the goods and services produced within the Free Zone. This Act is slated to be repealed in 2015

at which time a new fiscal incentive arrangement will be put in place.

**URBAN RENEWAL ACT:** Companies that undertake development within the designated Special Development Areas benefit from Urban Renewal Bonds, a 33.3% investment tax credit, tax free rental income and the exemption from transfer tax and stamp duties on the 'improved' property.

**INCOME TAX ACT (Junior Stock Exchange):** As of January 1, 2014, companies listed on the junior stock exchange will not be required to pay income tax in the first 5 years. A company listing after January 1, 2017 will be ineligible for this incentive.

**BAUXITE AND ALUMINA ACT:** Recognized Bauxite & Alumina Producers are permitted to import all productive inputs free of import duties, GCT and other port related taxes and charges.

**Is Jamaica focused on big enterprises or do small and medium sized enterprises have opportunities to invest, too?**

We welcome investments regardless of size. Each investor is given the same high level of service.

**Thank you for your time!**

Jacqueline-Olympia Konieczny

Regional Manager Karibik  
[j.konieczny@lateinamerikaverrein.de](mailto:j.konieczny@lateinamerikaverrein.de)