



Doing Business In JAMAICA: A Country Commercial Guide for U.S. Companies

INTERNATIONAL COPYRIGHT, U.S. & FOREIGN COMMERCIAL SERVICE AND U.S. DEPARTMENT OF STATE, 2009. ALL RIGHTS RESERVED OUTSIDE OF THE UNITED STATES.

- [Chapter 1: Doing Business In Jamaica](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

Chapter 1: Doing Business In JAMAICA

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)

Market Overview

[Return to top](#)

- The Jamaican economy, suffering the effects of Hurricane Dean and rising international commodities prices and oil prices in particular, grew by 1.4 percent in 2007, well below the three to four percent target for the year. While construction, distribution and financial services recorded relatively strong growth, it was largely nullified by declines in agriculture and mining, the sectors most affected by the hurricane. Additional damage to roads, bridges, and the agriculture export sector was caused by Tropical Storm Gustav in August 2008. This, coupled with the ongoing effects of the global economic crisis, has caused a further deterioration in economic performance, with the economy slipping into recession.
- Real GDP for the first half of 2008 declined by 0.5 percent and could worsen given the impact of the global crisis on the local economic fundamentals. Some of the country's main export sectors, led by bauxite, are already suffering the effects of the crisis, with some companies announcing job and production cuts. Although tourism arrivals remain above last year's figures, indications are that there has been a marked slowing in earnings from both sectors.
- The foreign exchange market remained relatively stable for the first nine months of 2008, depreciating by 1.6 percent. However, by October the effects of the global financial crisis became evident, with the local currency falling by over ten percent up to the second week of December to 80 Jamaican dollars to the USD 1). In addition to the declining supply of foreign currency, the depreciation has been underpinned by a confluence of demand factors led by increased margin calls from overseas creditors. Demand pressures were also compounded by increasing Jamaican dollar liquidity as local financial institutions converted maturing debt instruments into hard currency.
- Another major shock to the foreign exchange market came from the negative ratings released by the three main ratings agencies. Standard and Poor's, Fitch, and Moody's all lowered their forward outlook for the country.

- Inflation for the first eleven months of 2008 increased by 16.8 percent, the same level recorded for all of 2007. Inflationary pressures were largely driven by soaring domestic agricultural and international commodities prices. The impact of rising oil and food prices were particularly devastating on the import dependent economy. Moderating international commodities prices could have a positive impact on local prices during 2009.
- The fiscal position stabilized during FY 2007/08, with Government of Jamaica (GOJ) operations generating a fiscal deficit of 5.3 percent of GDP, an improvement on the 5.3 percent deficit realized in the previous year. The 2008/09 budget was formulated within a revised medium-term framework, which among other things, predicated a reduction in the fiscal deficit to 4.5 percent of GDP. For the first half of the fiscal year the deficit was in line with target, but given the worsening local economic conditions, there could be a deviation over the six months to March 2009. In particular, increasing domestic interest rates to stabilize the foreign exchange market could impact debt servicing cost by the final quarter of the fiscal year. The revenue side will also be affected by falling consumption and production taxes.
- The U.S. remains Jamaica's main trading partner, accounting for around 40 percent of total trade. On average, Jamaica imports and exports 45 and 30 percent of its goods from and to the U.S., respectively. Jamaica's other major trading partners in order of volume are Trinidad and Tobago, the UK, Canada, Japan, and China.
- Bilateral relations between Jamaica and the United States are good. Although the two countries occasionally disagree over specific issues, most notably relations with Cuba, Jamaica has supported many U.S. objectives in the Caribbean region. There are no major political issues affecting the business climate in Jamaica. Both major political parties favor attracting foreign investment.

Market Challenges

[Return to top](#)

- Corruption may well be the single greatest concern among Jamaicans, most of whom believe it is one of the root causes of the high crime rate. Despite numerous allegations of public corruption and at times arrests, there have been very few convictions of high ranking government or public officials. Jamaica's ranking under the Transparency International's Perception Index has worsened over the past three years, placing the country in the same category as Benin, Gabon, Guatemala, and Mali.

- Crime is a significant concern and additional security measures add considerably to the cost of doing business on the island. In 2008, The Economist magazine referred to Jamaica as "the world's most murderous country." Worsening economic conditions are fueling a rise in violent crime.
- Since the early 1990's, Jamaica has embarked on a program of gradual duty reduction (trade liberalization). Permits and import licenses are now limited to meat, ground provisions, fruits, vegetables, drugs, firearms, used tires, and two-way radios. While trade liberalization has made it easier to import items into Jamaica, some technical barriers to trade still exist.
- Jamaica is a member of the Caribbean Common Market (CARICOM) and as such, goods imported outside of CARICOM are subject to a common external tariff (CET). Goods certified to be of CARICOM origin tend to enjoy duty-free status, and are therefore not subject to customs duty. However, these goods attract value-added consumption taxes. For information on CARICOM, please visit www.caricom.org
- Imports also attract a Customs User Fee and a Standards Compliance Fee (SCF). The SCF is 0.3% of the CIF value of the import and is collected on behalf of the Jamaica Bureau of Standards. Many items (such as motor vehicles) also attract additional special taxes. The General Consumption Tax (GCT) is also usually payable upon entry. The GCT is a sales tax, which is recoverable from the final consumer.
- High energy costs, close to US.30 per kilowatt hour, hinder investment in energy intensive industries. The GOJ has embarked on efforts to increase energy efficiency as well as diversify its energy supply away from thermal generators (account for about 94 percent) to other sources including coal and renewable such as biofuels, wind, mini-hydro and solar. Other than 21 megawatts of wind (Wigton windfarm) and 23 megawatts of mini-hydro these plans are still at the initial stages.

Market Opportunities

[Return to top](#)

- The United States is Jamaica's primary trading partner. Proximity, quality and service have encouraged Jamaican businessmen to purchase from the United States.
- While economic growth in Jamaica continues to be sluggish, some sectors continue to display dynamism, providing good prospect for U.S. exporters. The construction, agriculture, tourism, and telecommunications sectors provide good opportunities for sales.

- The Agribusiness, Chemicals and Minerals, Energy, Entertainment - Music and Film, Information and Communications Technology, Security services, Infrastructure, Mining, Tourism, Renewable Energy and Real Estate sectors still provide the best opportunities for investment.
- Major projects include: Harmony Cove and other large scale hotel developments as well as airport, seaport and highway developments. In 2008 Jamaica approved legislation to bring casino gambling to the island.

Market Entry Strategy

[Return to top](#)

- Agents and Distributors are commonly used as the conduit to enter the Jamaican market, but the **U.S. Commercial Service** also assists U.S. firms in their search. Note: The U.S. Department of Commerce Foreign Commercial Service no longer has a presence in Jamaica, but rather serves the region out of its hub in the Dominican Republic.
- While business can be conducted through telephone conversations, most Jamaican businessmen are more comfortable with face-to-face meetings when negotiating business arrangements. Relationship marketing is also prevalent, with distributors generally interested in visiting their suppliers to conduct due diligence. Exclusive arrangements, 30-day credit and franchising arrangements are common business practices.

[Return to table of contents](#)

Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2032.htm>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Franchising](#)
- [Direct Marketing](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Selling Factors/Techniques](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Pricing](#)
- [Sales Service/Customer Support](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

Using an Agent or Distributor

[Return to top](#)

There are no specific laws in Jamaica that dictate contract terms for agents/distributors. The parties involved formulate their own terms and conditions of agreement with or without the assistance of an attorney. However, regardless of contract terms, every supplier and agent/distributor must be aware of the Fair Competition Act (FCA), which is designed to foster competition. Under Jamaica's British common law system, once an agreement is reached and signed, it becomes a legally binding document and breaches may be contested in a court of law.

To help U.S. companies find local partners and licensees abroad, the International Partner Search (IPS) provides a report on up to five qualified overseas agents, distributors, manufacturer's representatives, joint venture partners, licensees, franchisees or strategic partners who have examined a U.S. company's materials and have expressed an interest in the company's products, services, or licenses, or have expressed an interest in otherwise partnering with the company. Requests for international partners can be made through any Export Assistance Center of the Department of Commerce, which will then involve the U.S. Commercial Service hub in the Dominican Republic and/or the U.S. Embassy in the search.

Other leads and sources for business partners include the local government investment agency, Jamaica Trade and Invest (JTI), the Private Sector Organization of Jamaica, the Jamaican Manufacturers' Association, the Jamaica Chamber of Commerce, and the American Chamber of Commerce of Jamaica.

Establishing an Office

[Return to top](#)

The establishment of a local office is best approached with the assistance of JTI. Potential investors can also present project proposals to JTI for assessment and guidance. Registration or incorporation of the business should be made with the Office of the Registrar of Companies (ORC). JTI will assist with:

- obtaining applications from the income tax department;
- obtaining import licenses from the trade board;
- identification of business location (factory space or land);

A new companies act (Companies Act 2004) came into effect on February 1, 2005. Under the new act, it will now be possible for a single person to form a company and also be its sole director and shareholder. Public companies are now required to have a minimum share capital of J\$500,000.00 (approximately US\$6,250) and cannot borrow without first receiving certification from the Registrar. Although the head office of the company may be overseas, the company must now have a registered office in Jamaica.

Franchising

[Return to top](#)

To establish a franchise arrangement in Jamaica, the franchisee is expected to register a local company to assume the rights to operate the franchise. There are no specific laws that regulate the operation of franchises and there is a normal business relationship with the locally registered entity and the headquarters of the franchise. The locally registered company is responsible for managing the operation and ensuring conformity to the franchise requirements. Some U.S. food franchises in Jamaica include Kentucky Fried Chicken (KFC), Burger King, Pizza Hut, Subway, TGI Fridays and Wendy's. There are other types of franchises in areas such as dry cleaning, automobile care and rental, and training services.

Direct Marketing

[Return to top](#)

While mail order sales and catalogs have not been very popular (perhaps due to postal and other inefficiencies), moves towards deregulation and liberalization in Jamaica have compelled persons in retailing to think of more creative ways of getting their message to customers and achieving sales growth. Some local firms have used direct mailings of promotional materials and telephone marketing. Local credit card companies sometimes target cardholders with direct mailing offering goods and services. Growth has been seen in network marketing for the promotion of products such as Avon and Amway. In recent years, the biggest growth area has perhaps been in the marketing and promotion of a variety of health supplements.

Joint Ventures/Licensing

[Return to top](#)

In a bid to stimulate economic activity, the Jamaican government has actively encouraged joint ventures and licensing. Major opportunities are publicized by the government agency or ministry involved. Licenses have been granted for a range of

activities through the Ministry of Industry, Investment and Commerce. Incentives exist for investment related activities in several sectors such as tourism, manufacturing, information technology, film, music and entertainment. Nonresident partners, unless exempted under one of the incentive programs, including corporate partners, are subject to Jamaican tax on their share of the partnership profits that accrue in or are derived from Jamaica. Nonresident foreign corporations pay tax on their share of profits at the same rates as resident corporations. Double taxation relief is available under the Convention for the Avoidance of Double Taxation that entered into force in December 1991.

Selling to the Government

[Return to top](#)

Government procurement is generally done through open tenders, direct advertising, or by invitation to registered suppliers. The National Contracts Commission (NCC) is responsible for reviewing and endorsing recommendations for the award of Government contracts above JMD 10 million (USD 125,000) in value. The NCC also registers and classifies contractors who are desirous of tendering on Government contracts. Companies interested in supplying office supplies to the government must also register with the Financial Management Division of the Ministry of Finance. Companies interested in supplying other kinds of equipment or materials should contact: the National Water Commission (water supply and distribution equipment), the Jamaica Commodity Trading Company (for the purchase of certain basic food items and fertilizer under concessionary loan programs), the Pharmaceutical Division of the Ministry of Health and Health Corporation Limited (medicines and medical supplies), and the Ministry of Housing (for housing and construction materials).

Distribution and Sales Channels

[Return to top](#)

Distribution and sales of imported merchandise in Jamaica are done principally through importers, distributors, and agent representatives. A large share of materials and supplies including machinery and equipment is imported directly by some end-user firms. Close contact with end-users and provision of excellent quality, after-sales service, and competitive prices are essential to maintaining position in the market. At the same time, because of relatively close proximity to the United States, many importers of goods into Jamaica maintain direct contact with exporters and manufacturers' representatives, particularly in Florida.

Selling Factors/Techniques

[Return to top](#)

When selling to the Jamaican market, it is useful to do research on the proposed agents(s) or distributor(s) to make sure that they are compatible with the product being sold. There are several large, established distribution companies in Jamaica which import and distribute a range of products. These companies typically own vehicles or have salesmen on contract with appropriate vehicles. There are also smaller companies, which may be suitable for some products. Demand and markups for products vary. Some companies specialize in high volume and fairly low markups while others will only

distribute goods that ensure a fairly high markup. Because of proximity to and the strong influence of North America, strategies which prove successful in North America are generally equally successful in Jamaica.

Electronic Commerce

[Return to top](#)

Electronic Commerce has grown in significance in Jamaica. For some local companies (particularly utilities) there is the option to pay bills on-line or via credit card using a telephone. Many Jamaicans who own credit cards denominated in hard currency (U.S. dollars) frequently make on-line purchases from U.S. and other overseas companies.

The Jamaican Government is taking steps to position itself as a leader in e-Government activities in the Caribbean. In December 2004, an on-line tax payment service was launched and the long awaited E-transaction Act, providing the legal framework for secured electronic commerce, was passed in 2007. In January 2005, the GOJ also awarded two additional licenses for companies to provide international submarine communications links into Jamaica. One of these companies, Columbus Communications Jamaica Limited (FLOW) has already built out its infrastructure and is rolling out its service at a rapid pace. In addition to having relatively good telecommunications infrastructure Jamaica also has one of the highest mobile penetration in the world. However, there is still much concern that access to the Internet is still not as widespread as would have been desired.

Trade Promotion and Advertising

[Return to top](#)

Advertising is primarily done through radio, television, the press and billboards, including electronic billboards. A number of advertising agencies have national coverage. The number of companies licensed to offer broadcast media services has grown to twenty (20) and there are over 47 Subscriber Television (STV or Cable) licensees – including one wireless (multi-point multi-channel) licensee. There are also several Internet service providers. Radio is the most wide-reaching mass communication, with seven authorized radio stations. The three local TV networks are Television Jamaica (TVJ), CVM and LOVE TV. One radio station and one additional television station provide primarily religious broadcasts.

Jamaica has two morning dailies and one afternoon tabloid as well as several periodicals and magazines, among them:

The Gleaner Newspaper (daily)
7 North St.
Kingston
Tel: (876) 922-3400

The Jamaica Herald Newspaper (Sunday)
29 Molyne Rd.
Kingston 10

Tel: (876) 968-7721

The Jamaica Observer Newspaper (daily)
2 Fagan Ave.
Kingston 8
Tel: (876) 931-7825/-7832

CHAT (Observer afternoon tabloid)
2 Fagan Ave.
Kingston 8
Tel: (876) 931-7825/7832

The Star Newspaper (afternoon tabloid)
7 North St.
Kingston
Tel: (876) 922-3400

Investor's Choice Magazine (monthly)
12 Merrick Ave.
Kingston 10
Tel: (876) 929-2993

Pricing

[Return to top](#)

Most prices are freely determined by the market. Notable exceptions are utility services, such as electricity, water and bus fares. The Office of Utilities Regulation, as part of its mandate, monitors prices and other activities of utility companies. Since 2001, competition in the telecommunications sector has helped to reduce some telecom prices. While there are no official or government policies on price regulation or control, the Fair Trading Commission (FTC) and the Consumer Affairs Commission (CAC) do monitor pricing of consumer items. The FTC generally responds to consumer complaints. The CAC plays a role in conducting research and informing the public of price variations. The National Consumer League, a local NGO, plays a watchdog role.

Sales Service/Customer Support

[Return to top](#)

After-sales service is an important competitive advantage in the Jamaican market and a requirement for an effective sales operator. If a U.S. firm has difficulty setting up its own distribution system, a local agent or distributor may be retained to maintain a trained service staff with a reasonable stock of spare parts. Alternatively, the supplier could offer the customer rapid service from the United States.

Protecting Your Intellectual Property

[Return to top](#)

The Jamaican Constitution recognizes intellectual property rights and as such there are laws specifically designed to protect intellectual property. The United States and Jamaica signed an Intellectual Property Rights Agreement (1994) and a Bilateral Investment Treaty (which came into force March 1997). In June 1999, Jamaica passed the Trademarks Act, the Layout-Designs (Topographies) Act as well as a bill to amend the Copyright Act to extend its coverage to include databases and the trading in encrypted transmissions.

All three have been enacted in fulfillment of Jamaica's obligations under the WTO agreement on the trade-related aspects of intellectual property rights (TRIPS), the Paris Convention for the Protection of Industrial Property (to which Jamaica is seeking to become a signatory), as well as under the bilateral agreement on intellectual property between Jamaica and the United States.

In general, Jamaica has reasonably good copyright and trademark protection laws, but the country's patent regime is outdated. Jamaica is included on the Special 301 watch list as a result of the lack of parliamentary action to bring patent, industrial design, and plant variety laws into conformity with international standards.

Due Diligence

[Return to top](#)

From time to time many U.S. companies may find it necessary to get more information on a Jamaican company with which they plan to do business. The U.S. Commercial Service is able to do an International Company Profile (ICP), which provides a commercial report on a local company's background.

Local Professional Services

[Return to top](#)

It is advisable to retain professional advice at an early stage of a business venture to ensure a smooth start-up and compliance with local laws. The Jamaica Bar Association has a membership of over 550 attorneys. The Association is located at 78-80 Harbour St., Kingston (phone: [876] 922-2319). A list of members can be obtained from the Association. The U.S. Embassy can also provide a list of local attorneys.

www.jambar.org.jm

Web Resources

[Return to top](#)

Jamaica Trade and Invest www.investjamaica.com

Private Sector Organization of Jamaica www.psoj.org

Jamaica Manufacturers' Association www.jma.com.jm

Jamaica Chamber of Commerce www.icc.org.jm

American Chamber of Commerce of Jamaica www.amchamjamaica.org

National Contracts Commission www.ncc.gov.jm
U.S. Commercial Service Caribbean www.buyusa.gov/caribbean

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 4: Leading Sectors for U.S. Export and Investment

- [Agricultural Sector](#)

Commercial Sectors

- [Building Products](#)
- [Safety and Security Equipment](#)
- [Telecommunications Equipment](#)
- [Drugs and Pharmaceuticals](#)
- [Automotive Parts and Service Equipment](#)

Building Products (USD Million)

Overview

[Return to top](#)

	2003	2004	2005 (estimated)
Total Market Size	450	470	480
Total Local Production	125	125	125
Total Exports	5	5	5
Total Imports	330	350	360
Imports from the U.S.	120	140	150

Market information is obtained or inferred from preliminary external trade figures obtained from the Statistical Institute of Jamaica and market estimates

The Building and Construction Sector is one of the buoyant sectors of the Jamaican economy and is expected to continue to play an important role in the next few years. Major road construction projects – including Highway 2000 and the North Coast Highway are ongoing and there is a boom in hotel construction to support the growing tourism sector. There is also a surge in residential construction, including high end properties targeting non-residents, to fulfill some of the built up demand.

Best Products/Services

[Return to top](#)

Based on observed trends, good sales prospects in building and construction items for U.S. exporting firms include porcelain sinks, baths, lavatory sets, other bathroom fixtures, electric lighting, switches and other electric apparatus, certain roofing materials and tools.

Opportunities

[Return to top](#)

The market for building and construction products in Jamaica may be thought of as consisting of the following sub-sectors: Residential Construction by Developers, Residential Construction initiated by Government, Hotel Construction, Routine

Government Infrastructure Management/Maintenance, and Special Government Infrastructure Projects. Considerable opportunities for imports exist in each sub-sector.

Resources

[Return to top](#)

National Housing Trust www.nht.gov.jm
National Works Agency www.nwa.gov.jm
Urban Development Corporation www.udcja.com
Ministry of Transport and Works www.mtw.gov.jm
Highway 2000 www.highway2000.com

Safety and Security Equipment (USD Million)

Overview

[Return to top](#)

	2003	2004	2005 (estimated)
Total Market Size	150	175	180
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	150	175	180
Imports from the U.S.	85	100	120

Market information is based on unofficial market estimates.

Safety and security issues have become increasingly important to Jamaicans given the growing crime rate. As a consequence, there has been a proliferation in security and security related firms, which in turn has provided a captive market for safety and security equipment. This market is expected to remain relatively buoyant until a serious dent can be made in the crime rate.

Best Prospects/Services

[Return to top](#)

A list of specific products in demand includes alarms, CCTV, gate openers, home security and door entry buzzers.

Opportunities

[Return to top](#)

Most products in the sector have to be imported. The pervasive need and broad definition of safety and security products leads to them being retailed in several different outlets ranging from small hardware establishments to larger home improvement stores. On a national level, the GOJ, like other governments in the region and the world, is increasingly vigilant about ensuring that the nation's safety and security standards are in line with the needs of the citizens as well as with international obligations.

Resources

[Return to top](#)

Ministry of Security <http://www.jis.gov.jm/security/index.asp>

Telecommunications Equipment (USD Million)

Overview

[Return to top](#)

	2003	2004	2005 (estimated)
Total Market Size	150	160	170
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	150	160	170
Imports from the U.S.	70	75	80

Market information is obtained or inferred from preliminary external trade figures obtained from the Statistical Institute of Jamaica.

Since the liberalization of Jamaica's telecommunications sector, there has been a restructuring of the market and increased demand for an ever-growing list of products and services.

Best Prospects/Services

[Return to top](#)

In recent years, top selling items include cellular telephones and related apparatus, regular telephones, telephone accessories, color televisions, transmission apparatus for telecommunications and parts for telecommunications equipment.

Opportunities

[Return to top](#)

Going forward there could be increasing capacity as new international fiber optic connectivity becomes a reality. This development will increase competition and could result in reduced telecommunications costs as well as improved efficiency. A further outcome will be accelerated demand for fiber-optic cable and related equipment used to build out and improve the telecommunications infrastructure.

Resources

[Return to top](#)

Office of Utilities Regulation www.our.org.jm

Ministry of Industry, Investment and Commerce www.mct.gov.jm

Drugs/Pharmaceuticals (USD Million)

Overview

[Return to top](#)

	2003	2004	2005 (estimated)
Total Market Size	100	110	120
Total Local Production	15	15	15
Total Exports	5	5	5
Total Imports	90	100	110
Imports from the U.S.	50	50	50

Market information is obtained or inferred from preliminary external trade figures obtained from the Statistical Institute of Jamaica.

The growth in the demand for drugs and pharmaceuticals in Jamaica is driven by a variety of occurrences such as the introduction or modification of laws, trade conditions, international medical breakthroughs, lifestyle change patterns, government programs and a variety of social and domestic conditions.

Best Prospects/Services

[Return to top](#)

Best Prospects include medications for hypertension, respiratory diseases, sexually transmitted diseases and diabetes.

Opportunities

[Return to top](#)

Exporters to Jamaica will find opportunities in both the public (government) and private (commercial) sectors. The major importer of drugs and pharmaceuticals in Jamaica is Health Corporation Limited – a government company responsible for the sourcing and distribution of products primarily to the public health sector.

Resources

[Return to top](#)

Pharmaceutical Society of Jamaica www.psj.org.jm
Ministry of Health www.moh.gov.jm

Automotive Parts and Service Equipment (USD Million)

Overview

[Return to top](#)

	2003	2004	2005 (estimated)
Total Market Size	28	30	32
Total Local Production	2	2	2
Total Exports	0	0	0
Total Imports	26	28	30
Imports from the U.S.	4	5	6

Market information is obtained or inferred from preliminary external trade figures obtained from the Statistical Institute of Jamaica.

Although Jamaicans drive on the left hand side of the road, the United States remains an important source of automobiles, automobile parts and accessories. The auto parts and accessories market is, of course, closely tied to the automobile market. Prior to the mid 1990's, there were severe restrictions on importing motor vehicles. After the restrictions were lifted, the sudden liberalized environment led to a big surge in the variety and number of motor vehicles imported.

Best Prospects/Services

[Return to top](#)

Best Prospects include wheel rims, shock absorbers, clutch parts, brake parts, tires, and fancy accessories.

Opportunities

[Return to top](#)

The market for automobile parts and accessories is expanding. There is also increased vigilance by Jamaican authorities to monitor the quality of the imports coming in – this includes keeping an eye on imports from certain countries as well as the growing trend of importing used parts. There could be increased demand for high quality products approved by Jamaican Standards authorities.

Resources

[Return to top](#)

Ministry of Commerce, Science and Technology www.mct.gov.jm

Agricultural Sectors

[Return to top](#)

General information on the Jamaican retail and hotel sectors and the demand for U.S. food and beverages is available at:

<http://www.fas.usda.gov/scriptsw/attacherep/default.asp>

The major bulk commodities exported from the U.S. to Jamaica are listed below in order of market size.

Wheat (USD Million)

	2002	2003	2004
Total Market Size	21.1	26.3	30.1
Total Local Production	0	0	0
Total Exports	21.1	26.3	30.1
Total Imports	21.1	26.3	30.1
Imports from the U.S.	21.1	26.3	30.1

USDA Trade Statistics

The United States supplies the entire demand for wheat in Jamaica. U.S. wheat has an advantage in the market by virtue of the ownership of the sole wheat mill in the country by a U.S. company. Wheat flour is a major staple in the Jamaica diet. Import of wheat flour from Canada competes with U.S. imports in the fine bakery segment of the market.

Coarse Grains and Soybean Meal

Coarse Grains (USD Million)

	2002	2003	2004
Total Market Size	26.8	23.1	25.8
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	26.8	23.1	25.8
Imports from the U.S.	26.8	23.1	25.8

USDA Trade Statistic

Soybean Meal (USD Million)

	2002	2003	2004
Total Market Size	16.8	19.3	22.2
Total Local Production	0	0	0
Total Exports	0	0	0

Total Imports	16.8	19.3	22.2
Imports from the U.S.	16.8	19.3	22.2

US Trade Statistics

Imports of soybean meal and coarse grains in Jamaica are influenced by the strength of the livestock sub-sector, and particularly by the poultry industry, which has benefited from government protection and substantial retooling. Imports of these products are expected to remain strong as the poultry industry continues along its growth trajectory.

The major high-value products that are exported to Jamaica with the strongest growth potential and least market entry barriers are listed below in order of market size. Products are grouped, in some instances, according to data aggregation and market promotion compatibility.

Wines and Cheeses

Cheese (USD Million)

	2002	2003	2004
Total Market Size	28.2	28.4	30
Total Local Production	12	12	12
Total Exports	5.6	5.6	5.6
Total Imports	21.8	22.0	23.0
Imports from the U.S.	3.2	4.5	5.0

STATIN, Jamaica

Wines (USD Millions)

	2002	2003	2004
Total Market Size	5.6	7	7
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	5.6	7	7
Imports from the U.S.	1.6	2.2	2

STATIN, Jamaica

Comments: The demand for wines and specialty cheese in Jamaica is driven by the hotel and restaurants sub-sector. Consumption of wines and specialty cheese is expected to continue positive growth in the medium to long term as government policies continue to focus on the tourism sector as a central part of Jamaica's economic development model. However, the explosion in all-inclusive hotels has been shifting the demand in favor of less expensive Chilean wines. Simultaneously, Jamaican consumers and importers have historically associated French wines with a high quality status. The United States competes with Chile and France for sparkling wines and with France, Italy and Canada for other wines. Sparkling wines currently face a 30 percent CET plus a 34 percent ASD and 14.5 percent SCT. Demand for other alcoholic beverages also remains strong in the tourism market. Jamaica imports approximately 1059 thousand liters of vodka, brandy, gin, and other alcoholic beverages, valued at US\$ 4.5 million per year. Demand for cheeses in the retail sector is mostly fulfilled with cheddar from New Zealand and Austria.

Red Meats (Beef, Lamb, Goat) (USD Million)

	2002	2003	2004

Total Market Size	23.2	25.3	25.3
Total Local Production	13.0	13.0	13.0
Total Exports	1.5	2.0	2.0
Total Imports	10.2	12.3	12.3
Imports from the U.S.	2.2	2.8	2.8

STATIN, Jamaica

The U.S. accounts for 47 percent of total beef imports, less than two percent of the total imports of mutton (lamb) and none of the imports of goat meat. While beef and lamb consumption remains relatively low at the retail level, there is significant demand in the hotel/restaurant sector. Total market for imported beef, lamb and goat meat is estimated at US\$15 million. The U.S. competes with specialty cuts of high-quality beef. Although goat meat has always been a principal component of local cuisine, production has historically remained low, as Jamaica is yet to develop commercial techniques and genetics that suit the domestic situation.

Temperate Fruits, Vegetables and Fruit Juices

Temperate Fruits (USD Million)

	2002	2003	2004
Total Market Size	3.4	4.4	5
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	3.4	4.4	4.6
Imports from the U.S.	2.1	2.8	3

STATIN, Jamaica

Temperate Vegetables (USD Million)

	2002	2003	2004
Total Market Size	3.0	3.5	4.0
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	3.0	2.6	2.6
Imports from the U.S.	2.2	2.0	2.0

STATIN, Jamaica

Fruit Juices (USD Million)

	2002	2003	2004
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	3.4	5.0	7.0
Total Imports	24.3	28.6	30.1
Imports from the U.S.	17.0	19.0	20.0

STATIN, Jamaica

Comments: Total importation of fruits and vegetables continues to show significant increases as demand at the hotel / restaurant and retail sectors remain high. Some temperate climate fruits (apples, pears, strawberries, plums, kiwis) and vegetables (broccoli, asparagus, spinach) will continue positive growth in the Jamaican fresh produce market. However, products such as tomatoes, carrots, cabbages, melons,

lettuce, and other fruits and vegetables that compete directly with local products will become less price competitive under the GOJ's Safeguard Act. However, these products will still have reasonable demand during the characteristic cyclical periods of shortages. Garlic, onions and other capsicums will remain competitive since local production is done on a limited scale and without the requisite market coordination.

Breakfast Cereals (USD Million)

	2002	2003	2004
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A
Total Imports	11.4	13.6	15.3
Imports from the U.S.	1.6	1.7	2.7

STATIN, Jamaica

The Jamaican market for imported breakfast cereals is valued at US\$15 million. Cereals and cereal preparations account for approximately 8.8 percent of total food and beverage consumption expenditure in Jamaica. As the population becomes more health conscious, consumption of breakfast cereals and non-dairy milk substitute (such as soy milk) is expected to increase. While domestic productive capacity remains low, demand will be fulfilled with imports. Breakfast cereals are extensively advertised and positioned in the market. Breakfast cereals from Trinidad and Tobago, the major supplier, are positioned in the lower income strata on the basis of price. Higher priced U.S. cereals are prudently positioned in the less price sensitive market segments on the basis of quality.

Crackers / Cookies / Biscuits (USD Million)

	2002	2003	2004
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	0.5	0.5	0.5
Total Imports	16.4	20.0	24.0
Imports from the U.S.	6.8	7.2	10.1

STATIN, Jamaica

Comments: Under duty free entry, Trinidad and Tobago and Barbados continue to dominate exports of snack foods to Jamaica. Snack products originating outside of CARICOM attract a 20 percent CET rendering them less price competitive when compared to products of CARICOM origin. Venezuela also maintains a strong presence in this market. The market is expected to show strong growth over the short to medium term.

Pasta (USD Millions)

	2002	2003	2004
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	0.3	0.3	0.3
Total Imports	3.0	3.3	3.6
Imports from the U.S.	2.1	2.3	2.6

STATIN, Jamaica

Comments: Jamaica's consumption of pasta is expected to grow modestly over the longer term as the product becomes more popular in the household diet. U.S. pastas compete with imports from Costa Rica and Guatemala. Uncooked pasta attracts CET of 30 percent.

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 5: Trade Regulation, Customs and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

Import Tariffs

[Return to top](#)

Jamaica is a part of CARICOM and a Common External Tariff (CET) is applied to goods entering CARICOM member-countries. However, as part of the continuing process to reform the trade regime, the government embarked on a tariff reform program to gradually reduce duty from as high as 200 percent. Duty rates (CET) are now typically in the range of 15 to 20%.

Trade Barriers

[Return to top](#)

In order to protect local producers, import duties on certain agricultural products (such as chicken and vegetables) and certain consumer goods carry higher duty rates. In addition to import duties, certain items such as beverages and tobacco, motor vehicles, and some agricultural products carry an additional stamp duty and special consumption taxes. A Customs User Fee of 2% applies to all imports. Most imported items are subject to 16.5 percent general consumption tax (GCT).

There is also now a Standards Compliance Fee (SCF) of 0.3%. The SCF is collected by Jamaica Customs on behalf of the Jamaica Bureau of Standards. The Bureau checks for a number of standards, including labeling standards.

Strict regulations govern the importation of drugs and pharmaceuticals, with safety, efficacy and quality the primary indicators for approving a drug for use. The Food and Drug Act requires that all drugs distributed or sold in Jamaica are assessed and registered. In addition to reviewing the scientific data supplied on the uses and side effects of the drug, special attention is paid to information on its stability under conditions of high temperature and humidity typical of the tropics; results of the analysis of a recently produced batch; approval status in the country of manufacture or export; and clinical summaries of tests done on humans where the drug is a new chemical entity. Typically, a drug will not be admitted for use in Jamaica until it has been safely used in the country of origin for a period of more than one year.

Import Requirements and Documentation

[Return to top](#)

The following items still require an import license: milk powder, refined sugar, plants and parts of plants for perfume or pharmaceutical purposes, gum-resins, vegetable saps and extracts, certain chemicals, motor vehicles and parts, arms and ammunition, and certain toys, such as water pistols and gaming machines. The Trade Board, which falls under the Ministry of Industry, Investment and Commerce is responsible for granting licenses.

If an item requires a license, one must be obtained from the Trade Board before the sale. The documents required for the importation of goods are: (1) a supplier invoice; (2) certificate of origin; (3) bill of lading; (4) airway bill; and, (5) other shipping documents to include a declaration of value and an import license, if necessary. Certain products may also require a phytosanitary certification.

Upon arrival of the goods in Jamaica, the documents are submitted to the Customs authorities and relevant duties must be paid before the goods are cleared. The importer may also be required to present a tax compliance certificate, a Business Enterprise Number (BENO) and a Taxpayer Registration Number (TRN).

U.S. Export Controls

[Return to top](#)

www.bis.doc.gov

Temporary Entry

[Return to top](#)

Importers may obtain authorization for temporary admission of products for a period of three or four months. To claim temporary admission of merchandise, regular import documentation and the C25 Form, with customs authorization, must be presented by the importer upon the arrival of the merchandise. In addition, the importer is required to deposit or place in bond up to one and a half times the applicable duty, which is refunded on exit of the merchandise.

Labeling and Marking Requirements

[Return to top](#)

The Jamaican Bureau of Standards administers the Standards, Processed Food and Weights and Measures Acts, to which products entering Jamaica are subjected. It is the responsibility of importers and distributors to ensure that goods sold in Jamaica are properly labeled as required by the labeling standards.

The Jamaica Bureau of Standards is very stringent in exercising its judicial authority and is known to block the entry and sale of goods that are improperly labeled. Improper labeling may occur in several ways such as incorrect date format, non-English language and so on. A full description of labeling requirements is to be found in Labeling Standards JS1 Parts 1 to 29.

The smallest individual unit of a pre-packaged good should be labeled in English and should include the proper name of the product, an accurate declaration of the contents, an accurate description of the ingredients, a date mark or date of minimum durability, as well as the name and traceable business address of the processor, manufacturer, packer, importer or distributor and the country of origin. Manufactured, expiration and

other date marks must conform to the traditional European "dd/mm/yy" or ISO's "yy/mm/dd" date formats. The United States' conventional "mm/dd/yy" or the five-digit Julian "day-of-year year", "year day-of-year", or other such modifications of the Julian system, are not accepted for the purpose of trade and commerce in Jamaica. Jamaica has not yet developed any definitive standard for the labeling of Genetically Modified Organisms (GMO) and Living Modified Organisms, but present directions are skewed towards adopting language developed by the Codex Alimentarius Commission.

Prohibited and Restricted Imports

[Return to top](#)

Jamaica prohibits the import of the following items:

- dogs for racing and dog racing equipment;
- tablets containing a combination of methaqualone and diphenhydramine hydrochloride;
- certain brands of crayons from China and Thailand;
- all items banned under the Customs Act and the Plants Protection from Disease Act;
- all goods prohibited entry into the United Kingdom under the Anthrax Prevention Act 1919;
- animals and carcasses of animals prohibited under the Animals Diseases and Importation Act;
- arms and ammunition, except with the permission of the Commissioner of Police;
- brandy of a lower strength than 30 degrees per centum under proof, unless it is proved that it has been matured for a period not less than ten years;
- base or counterfeit imitation coin of any country;
- coin, silver, or any money not of the established standard in weight and fineness;
- opium and dangerous drugs;
- essence of brandy or whisky or flavoring essences except as approved by the Minister;
- indecent or obscene prints, paintings, photographs, books, films, etc.;
- oil of gin or cognac, except as approved by the Minister;
- rum coloring solutions;
- spirits and wine, unless specifically imported with casks or other vessels of at least nine gallons content or in glass or stone bottles with each case containing not less than one gallon;
- fictitious stamps and instruments; and
- sugar, except under license.

Customs Contact Information

[Return to top](#)

www.jacustoms.gov.jm

Standards

[Return to top](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)

- [Product Certification](#)
- [Accreditation](#)
- [Publication of Technical Regulations](#)
- [Labeling and Marking](#)

Overview

[Return to top](#)

The Jamaica Bureau of Standards (“The Bureau”) is a statutory body established by the Standards Act of 1968. The Bureau of Standards is controlled by a Standards Council, which is responsible for policymaking and general administration. Standards are developed by standing committees representing varied interests, such as consumer groups, the manufacturing sector and the public in general. The Bureau’s main functions are formulating, promoting and implementing standards for goods, services and processes. It develops and enforces technical regulations for those commodities and practices, which affect health and safety.

The Bureau also facilitates trade and protects Jamaican consumers with the timely development and promulgation of national standards. The Standards and Certification department seeks industry participation in allowing the development of new standards and new markets both locally and regionally. The Bureau’s mandate includes (i) preparing standards for particular products, practices and processes and (ii) checking products against claims of conformity to published standards.

Standards Organizations

[Return to top](#)

The Jamaica Bureau of Standards is the premier standards development organization in Jamaica. At the Bureau, the preparation of standards is authorized by the Standards Council following representations from national organizations or from committees and staff of the Bureau of Standards. When the final draft of the standard is ready it is sent to the Minister for approval after which it is made available to the public for comment. After consideration of the comments, a final document is prepared and the Standards Council recommends the document to the Minister for approval. The declaration of the standard is published and copies are made available for sale. Standards are revised every five years, while the Catalogue of Jamaican Standards is updated every six months. It includes a listing of all standards published to date as well as those approved by the Minister awaiting publication. The National Environment and Planning Agency (NEPA), the National Council on Technical and Vocational Education and Training (NCTVET), private companies and government agencies and ministries also have a limited role in standards development.

Conformity Assessment

[Return to top](#)

The Jamaica Bureau of Standards is responsible for issuing licenses to use the Bureau’s Certification Mark (Mark of Conformity). A number of well-equipped laboratories carry out tests in such areas as food analysis, chemistry, metallurgy, microbiology, building materials, furniture, packaging, electrical engineering, mechanical engineering, weights and measures. Private companies involved in conformity assessment are Technological Solutions Limited and SGS Limited.

Product Certification

[Return to top](#)

The National Certification Mark issued by the Bureau is a mark of quality awarded to products, processes and practices, which conform to relevant standards. Products, which are proven to be of consistent and reliable quality, are granted the National Certification Mark. The Bureau encourages consumers to purchase products, which bear this mark as it guarantees consistent product quality. All manufacturers have the right to apply for the mark. The Bureau's team of analysts and specialists examines the manufacturers' processes, equipment, records, raw material, quality control systems and the finished product to ensure good quality.

The Product Certification offered by the Bureau is voluntary (and at a cost to the applicant). Plans are being developed for the establishment of a National Certification body. Also being planned is a Compliance Sticker Program, which will allow local products of a suitable standard to bear a Compliance Sticker. The program will also extend to compliant imported products.

There is a mutual recognition agreement between the Bureau and the American Society for Testing and Materials (ASTM).

Accreditation

[Return to top](#)

The Bureau offers laboratory accreditation to Chemical and Microbiological Laboratories, which apply for this recognition. Accreditation services may also be obtained from International agencies. Plans are in place for the development of a National Accreditation Body (separate from the Bureau of Standards), which will take over this function.

The Bureau's Technical Information Center is the only national standards library in Jamaica. It is the center of the international standards information network and serves as:

- The National Enquiry Point under the WTO Agreement on Technical Barriers to Trade (TBT)
- Contact Point for Codex Alimentarius Commission in Jamaica
- Local Agent for International Organization for Standardization (ISO), British Standards Institution (BSI), and American National Standards Institution (ANSI).

The Bureau has membership in the following regional and international organizations:

- International Electro-Technical Commission (IEC)
- Caribbean Regional Organization for Standards and Quality (CROSQ)
- Inter-American Metrology System (SIM)
- Pan-American Standards Commission (COPANT) (an ISO Commission)
- Caribbean Metrology Sub-Region (CARIMET)

Additionally, the Bureau cooperates with several other regional and international standards and metrology institutions such as the National Institute of Standards and Technology (NIST), American Society for Testing and Materials (ASTM), National Center for Metrology-Mexico (CENAM), Physikalisch Technische Bundesanstalt (PTB), American Society for Mechanical Engineers (ASME), National Office of Standards-Cuba (NC), Columbian Institute of Certification and Technical Standards (ICONTEC),

Barbados national Standards Institute (BNSI), Trinidad and Tobago Bureau of Standards (TTBS) and the Guyana National Bureau of Standards (GNBS).

Publication of Technical Regulations

[Return to top](#)

Proposed Technical Regulations are made available to the public for comment. A 30-day period is allowed before publication. Any entity, including U.S. companies, may comment on the proposals before they are published. The Bureau has a Technical Information Center, which has information on standards being developed. Final Technical Regulations are published in the Jamaica Gazette Supplement - Proclamations, Rules and Regulations.

Labeling and Marking

[Return to top](#)

Product labeling is one of the more important and topical matters handled by the Jamaica Bureau of Standards. The Catalogue of Jamaican Standards lists requirements for over 30 different commodities. The list is wide and varied and includes items such as footwear, precious metals, household appliances, panty hose, thread, animal feeds, toys, furniture and various packaged goods.

Labeling requirements are contained in a series of mandatory standards for the Labeling of Commodities (JS 1: Part 1 through to JS 1: Part 30). Adherence to these requirements is closely monitored by the Bureau. Monitoring entails verification of labels against the specifications outlined in the particular labeling standard.

It is critical for the Bureau to develop a system that will allow the organization to exercise its duty with increased efficiency and effectiveness with respect to compliance to compulsory standards (technical regulations). The Label Registration Program was therefore proposed. This program aims to prevent labeling violations both at the Ports of Entry and in the Domestic Marketplace. Labels of each product can therefore be registered with the Bureau under this program. This registration program is voluntary and will assist the speedy processing of goods through Customs (using a database) for importers who have their labels registered with the Bureau.

The steps required for this process are:

1. The completion of the Label Registration Form
2. Submitting the form along with the labels of the products to be registered (preferably on line) to the Bureau of Standards
3. Make payment using either the e-commerce facility or the other means available and showing proof of payment
4. The label is assessed and a report done
5. If the label is in conformance with the standards the registration will be approved and a registration number assigned and add to list of compliant labels
6. Where a labeling non-conformance is identified, the report shall indicate the areas of non-conformance, and make recommendation to effect corrections
7. The applicant will be required to implement the recommendations and re-submit the corrected label and proceed again
8. Label registration number now used by Customs to process imports
9. Routine periodic verification conducted by Bureau Inspectors/Officers to identify continued compliance

10. If non-compliance is identified registration is withdrawn and distributor advised to re-register the label(s).

Trade Agreements

[Return to top](#)

Preferential Tariff Arrangements: Jamaica has enjoyed preferential tariff arrangements with the United States under the Caribbean Basin Initiative (CBI) and the Caribbean Basin Economic Recovery Act, with the countries of the European Union under the Lome Convention (succeeded by the Cotonou Agreement and recently the Economic Partnership Agreement (EPA)), with Canada under CARIBCAN, and with other English-speaking Caribbean states under CARICOM. CARICOM, of which JAMAICA is a leading member, also has bilateral trade agreements with Costa Rica, Cuba, Dominican Republic, Colombia, and Venezuela.

The CBI provides duty-free entry to the United States to qualifying products of Jamaican origin (except textiles, footwear, handbags, luggage, work gloves, leather apparel, tuna fish, petroleum and petroleum products, and watches and watch parts from countries that do not enjoy Most Favored Nation status). An amendment was made to CBI provisions in 1990 (CBI II) allowing additional duty reduction on certain leather-related products, including handbags, luggage, flat goods, work gloves, and wearing apparel. To meet CBI eligibility standards, products must contain at least 35 percent value added in Jamaica, of which U.S. materials must comprise 15 percent of the value of the finished product. Articles assembled in Jamaica from 100 percent U.S. components are also given duty-free treatment (with certain exceptions, including textiles/apparel for which the U.S. duty is levied only on the value-added in Jamaica).

In May 2000, the U.S. Senate passed the Caribbean Basin Trade Partnership Act (CBTPA). The aim of this Act is an expansion of the benefits provided under the CBI to Caribbean firms that export to the United States. In effect, it will restore the margin of preferences CBI countries enjoyed prior to the implementation of the North American Free Trade Agreement (NAFTA) as well as improve the range of economic opportunities available to the countries. The Jamaican garment industry has not expanded under CBTPA as predicted due to: (1) the removal of preferential access to key markets following the removal of the quota system; (2) competition from low cost producers; (3) a large untrained labor force; (4) small factories that inhibit the achievement of economies of scale; (5) dependence on a few markets and on imported inputs; and, high overhead costs. In fact, the garment industry has all but disappeared, with only one firm employing about 50 workers remaining in the free zone. Jamaica has also signed a Tax Information Exchange Agreement (TIEA) with the United States allowing U.S. taxpayers to deduct legitimate business expenses incurred in attending business meetings and conventions in Jamaica.

Jamaica exports certain items duty-free to Canada under CARIBCAN. Eligible items must meet a national-origin standard of 60 percent of the factory price originating in Jamaica, Commonwealth Caribbean countries, or Canada. Textiles, garments, lubricating oils, clothing, footwear, luggage, handbags, and leather garments are excluded from CARIBCAN. Processed and fresh vegetables comprise most of the trade

under CARIBCAN. Alumina, representing approximately 80 percent of all exports to Canada, was already admitted duty-free prior to the establishment of CARIBCAN.

The Cotonou Agreement, signed in 2000, replaced four Lome Accords and introduced a comprehensive framework for African Caribbean and Pacific (ACP) -EU relations focusing on economic development, the reduction and eventual eradication of poverty, and the smooth and gradual integration of ACP states into the global economy. In this regard the Cotonou Agreement allows the ACP and the EU to engage in WTO compliant (CARIFORUM Economic Partnership Agreement (EPA) Negotiations, 2000). The Economic Partnership Agreement or EPA, a trade partnership required by the Cotonou Agreement to replace the trade component of Lome IV, was signed in January 2008. The EPA is expected to help ACP countries, including CARIFORUM, reduce poverty and achieve economic growth through sustainable trade with Europe.

Jamaica has been a leading member of the Caribbean Community and Common Market (CARICOM) since 1973 when four countries signed the Treaty of Chaguaramas. Over the years membership has grown to 15. There are also five (5) associate members and The Bahamas is a member of the community, but not the common market. In 1989 a decision was taken to further deepen the integration process by establishing the CARICOM Single Market and Economy (CSME). This was expected to pave the way for the creation of a single economic space, where people, goods, services and capital could move freely. To effect the CSME, a Revised Treaty of Chaguaramas was signed in 2002. In January 2006, CARICOM Heads of Government met in Jamaica to sign the single market aspect of the CSME, although at the time only six member countries, including Jamaica, had completed the process to bring the CSM into being. Six other countries have subsequently joined the CSM and the economic integration aspect of the CSME commenced in 2008.

<http://www.caricom.org>
<http://www.crn.org/acp.htm>

Web Resources

[Return to top](#)

Jamaica Bureau of Standards www.jbs.org.jm

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Efficient Capital Markets and Portfolio Investment](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [OPIC and Other Investment Insurance Programs](#)
- [Labor](#)
- [Foreign-Trade Zones/Free Ports](#)
- [Foreign Direct Investment Statistics](#)
- [Web Resources](#)

Openness to Foreign Investment

[Return to top](#)

The Government of Jamaica (GOJ) seeks to attract foreign direct investment and markets itself to companies in Europe, North America and the Caribbean region. The GOJ encourages foreign investment as a source of development and has no policies or regulations that reserve certain sectors exclusively for Jamaicans. Prime Minister Bruce Golding (Jamaica Labor Party), elected in September 2007, after 18 years of rule by the People's National Party, publicly warns of the negative consequences of red tape as a hindrance to potential foreign investment.

Numerous measures which once inhibited foreign investment, such as the Foreign Exchange Control Act and the list of areas reserved for local investment only, have been eliminated. Thus, Jamaica does not have any legal impediment to direct foreign investment and applies the principle of national treatment to foreign investors.

With the investment landscape reformed, attention has turned to the reduction of processing and approval times for investment-related applications. In particular, USAID has been providing assistance to the GOJ and the Private Sector Organization of Jamaica for a Regulation, Legislation, and Process Improvement Project (LEGS and REGS) to remove some of the obstacles to doing business in Jamaica. The project staff is currently revising an existing Developer's Manual to provide updated information on the administration, legislation, regulation and requirements involved in the development approval process in Jamaica. The

manual has been revised, but there is still much streamlining required in achieving the Prime Minister's 90- day turnaround deadline for approvals.

The LEGS and REGS Project has been paying dividends, as a 2009 World Bank Doing Business Report listed Jamaica in the top ten countries for the Latin America and Caribbean Region in which it was easiest to do business. Jamaica ranked above its regional peers and compared favorably with OECD countries in areas such as starting a business and hiring and firing workers. It should be mentioned that, while Jamaica's Redundancy Act makes it expensive to cut staff due to the relatively high severance payments tied to length of service (see Labor section below), the Jamaican system still ranks higher than its regional peers in the 2009 World Bank Ease of Doing Business Report for the category of Hiring Workers. It only scores lower than its peers in the subcategory of Firing Costs.

The Companies Act and the Securities Act govern acquisitions, mergers and takeovers for publicly traded companies. In 1996, the Securities Act was revised to bring it in line with international regulations. The takeover code was redesigned to ensure the integrity of the securities market while protecting minority shareholders. Jamaica's legal system is based on English common law principles and rules covering the enforceability of contracts are based thereupon. The Jamaican judicial system therefore recognizes and upholds the sanctity of contracts. However, in the 2009 World Bank Doing Business Report, Jamaica slipped 25 rank positions for Enforcing Contracts, falling from 102 in 2008 to 127 in 2009. There are no limits on foreign ownership or control, and the Embassy is not aware of any economic or industrial policy that has discriminatory effects on foreign investors.

Foreign investors are generally granted national or Most Favored Nation treatment, subject to the rules of their Bilateral Investment Treaties (BITS). There are no screening mechanisms for foreign investments, but if investors apply for government incentives, they could be required to meet some basic pre-requisites and due diligence may be done by the approving agency. This process is not discriminatory and is not intended to impede investment. Jamaica has also undertaken a comprehensive program of trade and financial liberalization, and no sector remains closed to foreign investment. However, projects that affect national security, have a negative impact on the environment, or involve sectors such as life insurance, media or mining are subjected to regulation and certain restrictions.

Jamaica's privatization program is open to participation by foreign investors, except for those that are on the restricted list due to national security concerns. The National Investment Bank, which administers privatization, is mandated to ensure that the process is fair and transparent. However, in some privatization transactions, the participation of local investors may lead to added points in the scoring of proposals. When large entities are being privatized, advertisements are placed in international newspapers such as the Financial Times, New York

Times and Wall Street Journal to attract foreign investors. An information memorandum accompanies privatization proposals and includes the specific requirements under which bidders are allowed to participate and the criteria by which proposals will be evaluated. Foreign investors have won most of the privatization bids in the last five years. The government is currently reviewing some of the remaining parastatals with an eye to divestiture.

The country is party to both multilateral and bilateral treaties, which provide for non-discrimination. Local laws do not distinguish between local and foreign investors. The Embassy is not aware of any discrimination against foreign investors at the time of initial investment or after the investment is made. However, under the Jamaican Companies Act, investors are required either to establish a local company or to register a branch office of a foreign-owned enterprise. Branches of companies incorporated abroad must also register with the Registrar of Companies if they intend to operate in Jamaica. The Companies Act, which came into effect in February 2005, allows foreign companies to hold lands without registering in Jamaica. There are no laws or regulations requiring firms to adopt articles of incorporation or association, which limit or prohibit foreign investment, participation or control. The Embassy is not aware of any other ways private firms could restrict foreign investment.

Foreign direct investment (FDI) flow was USD 779 million in 2007, down from 850 million in 2006 according to the United Nations' World Investment Report. The dynamism in FDI was most evident in the construction, telecommunications, tourism, and mining sectors. Despite significant foreign investment over the years, Jamaica's annual GDP growth has been an anemic 1 percent on average, indicating that foreign investment does not directly translate into GDP growth. Jamaica appears to lack the absorptive capacity to benefit from investments requiring high skilled employment, and a significant portion of inputs are not sourced locally.

The introduction of competition in the telecommunications sector has attracted three mobile providers and multiple internet service providers including three licenses that are being issued to wireless service providers. The GOJ has issued two additional fiber-optic licenses to reduce the cost of Internet rates. Highway 2000, Jamaica's first toll road, is being constructed by French company Bouygues under a build, operate, and transfer (BOT) model. Two segments of the project, costing over USD 500 million, are completed. A third leg connecting Kingston and the resort area of Ocho Rios should be completed by end of 2010.

With the onset of the global economic crisis, there has been significant slowdown in some of Jamaica's critical foreign exchange earners. Growth in the bauxite and tourism sectors has slowed. The construction boom of the last three years, which brought in over USD 1 billion in FDI in the accommodation sector, has waned. Future projects in the sector have been postponed until the global economic climate improves. This includes investments from Spanish hotel

chains and the high-end Harmony Cove Tourism Development. A Brazilian company, Infinity BioEnergy, is in negotiations to acquire the assets of Jamaica's sugar industry.

Conversion and Transfer Policies

Jamaica has no restrictions on holding funds or on transferring funds associated with an investment, as the country liberalized its foreign exchange market in 1991. However, foreign exchange transactions must be conducted through authorized foreign exchange dealers, cambios and bureaux de change at market-determined rates. Foreign exchange is generally available, but companies tend to source large amounts of foreign exchange over a three to four day period. There are currently no plans to change the policies affecting investment remittances and there is no delay period currently in effect for remitting investment returns. There is no legal parallel market (tiered system) for foreign exchange following liberalization and there are no limitations on the inflow or outflow of funds for any transaction. Recently surveyed U.S. companies indicated no problems or delays in accessing foreign exchange or remitting investment returns.

Expropriation and Compensation

Property rights are protected under Section 18 of the Jamaican Constitution. Expropriation of land may take place under the Land Acquisition Act, which provides for compensation on the basis of market value. Expropriation can take place before compensation is paid, but interest for the period between the expropriation and the compensation settlement must be paid. According to the law, the purpose of any expropriation must be transparent, and compensation for expropriated property must be adequate. If informal negotiation on compensation fails, the investor has recourse in the courts. Jamaica has signed bilateral agreements for the reciprocal promotion and protection of investments with a number of countries, including the United States. The Embassy is not aware of any litigation between the Jamaican government and any private individual or company based on expropriation or on compensation for expropriation. There are currently no laws that force local ownership.

Dispute Settlement

Disputes between enterprises are handled in the local courts, but foreign investors can refer cases to the International Center for Settlement of Investment Disputes (ICSID). There have been cases of trademark infringements in which U.S. firms took action and were granted restitution in the local courts. The Jamaican Constitution provides for an independent judiciary with a three-tier

court structure. Claims may be brought before the Magistrate or Supreme Court. Appeals on decisions made in these courts can be taken before the Court of Appeal and then to the Judicial Committee of the Privy Council in the United Kingdom. Plans were afoot for the Privy Council to be replaced by the Caribbean Court of Justice (CCJ), which will consider and determine appeals in civil and criminal matters from common law courts within CARICOM member states. However, the then-opposition Jamaica Labor Party (JLP) opposed the process and took the case to the Privy Council which supported their position. If Jamaica were to replace the Privy Council with the CCJ it will likely require a national referendum, although it is not likely in the near-term. Jamaica has effective means for enforcing property and contractual rights through: (1) The Judgment and Awards (Reciprocal Enforcement) Act; (2) The Judgment (Foreign) (Reciprocal Enforcement) Act; (3) The Arbitration (Recognition and Enforcement of Foreign Awards) Act; and, (4) The Maintenance Orders (Facilities for Enforcement) Act. Under these acts, judgments of foreign courts are accepted and enforced in all cases where there is a reciprocal enforcement of judgment treaty with the relevant foreign state.

A number of disputes, involving foreign investors and GOJ, on the one hand, and foreign investors and a local association, on the other, arose during 2005. The first dispute, which is yet to be resolved as of early 2008, involves the implementation of a levy by the GOJ on in-coming telephone calls for a Universal Access Fund to finance computers and other information-related activities in Jamaican schools. However, U.S. long-distance telephone companies have been resisting the move and have requested that the Federal Communications Commission put pressure on Jamaica to desist from collecting the fees.

There is a Bankruptcy Act dealing with personal insolvency, a Companies Act dealing with corporate insolvency, and other statutes such as the Bills of Exchange and the Sale of Goods Acts dealing with commercial matters. There are also extensive common law principles, which are written and consistently applied. Under the bankruptcy laws, creditors can petition for an order against an individual or a winding up order against the company and will be entitled to share in the assets of the bankrupt on a pro-rata basis, after certain specified preferential creditors such as redundant employees. The claimant has the option of settling a claim in the currency in which the debt or obligation was incurred or in local currency.

Jamaica, a signatory to the International Center for Settlement of Disputes (ICSID) since 1965, accepts international arbitration of investment disputes between Jamaicans and foreign investors. Local courts also recognize and enforce foreign arbitral awards. International arbitration is also accepted as a means for settling investment disputes between private parties. However, acting in its role as an international tribunal, the CCJ will interpret and apply the Revised Treaty of Chaguaramas, including the CARICOM Single Market and Economy. There is no formal domestic arbitration body in Jamaica, but disputing parties can

use arbitration proceedings to settle their disputes. These proceedings would be guided by the Arbitration Act which sets out the procedures disputing parties would follow once they agree on arbitration and is read in conjunction with the Arbitration Clauses Protocol Act, which in turn makes reference to how foreign arbitral awards will be addressed. If a foreign investor's country has a BIT with Jamaica, then the rules of this treaty would apply. Other foreign investors are given national treatment and civil procedures would apply.

Performance Requirements and Incentives

Jamaica is a signatory to the World Trade Organization Agreement and is in compliance with most Uruguay Round obligations, including the TRIMS Obligations. There are no performance requirements imposed as a condition for investing in Jamaica. The GOJ offers a number of incentives to attract investments, particularly those that generate foreign exchange and expand employment. Some current incentives are non-compliant with the WTO Agreement on Subsidies and Countervailing Measures and should have been phased out by 2003, but have not been. However, Jamaica was granted an extension by the WTO to revise its incentives and is awaiting reports from the World Bank-affiliated Foreign Investment Advisory Service and a local Tax Review Committee to complete the process. Chief among the current incentives are:

(a) The Export Industry Encouragement Act (EIEA) - entitles companies manufacturing products for export to non-CARICOM member countries benefits such as exemption from income and dividend taxes for up to ten years, and exemption from import duties on raw material and machinery during the incentive period. Service industries were included in 1990 and in 1996 the EIEA was amended to include companies that do not export 100 percent of their output.

(b) The Hotel Incentives Act - entitles hoteliers to income and dividend tax relief for up to ten years. Hoteliers may also receive an exemption from import duties for constructing or expanding hotels, but must have at least ten rooms and facilities for other activities. Income tax relief is granted for 15 years to hotels that meet certain qualifications including: having 10 to 350 rooms, facilities for holding conferences and operation by a qualified general manager. The Resort Cottages Incentives Act allows for income and dividend tax relief and duty-free importation of articles required to construct and equip resort cottages for up to seven years.

(c) The Motion Picture Industry Encouragement Law - motion picture producers can receive duty relief on imported goods for use in motion picture production as well as income tax exemption from the date of release or exhibition of each motion picture produced in Jamaica for a period of nine years. Producers are also granted a tax deduction of 70 percent of the capital expenditure incurred in

acquiring facilities either in the year in which the cost is incurred or in any subsequent year at the option of the producer.

(d) Approved farmer status under the Income Tax Act - certified persons or companies engaged in growing food or seed crops, horticulture, aquaculture, tobacco and animal husbandry are eligible for income tax relief for up to ten years, renewable as well as concessionary duty rates on farm vehicles.

(e) The International Finance Company Act - available to finance companies conducting business solely with foreigners. With regard to Jamaican operations, non-residents must hold at least 95 percent of the loan capital. Profits of an approved corporate body are taxed at a rate of only 2.5 percent.

(f) The Shipping Incentives Act - approved shipping corporations are granted import duty and income tax concessions for a period of ten years.

(g) The Foreign Sales Corporation Act - provides exemption from income tax for five years for qualified income arising from foreign trade. U.S. law through the Tax Information Exchange Agreement (TIEA) reinforces this incentive.

(h) The Industry Modernization Program (IMP) and Moratorium on Duties - under the IMP, companies are exempt from general consumption tax on capital goods acquired for modernization. The Minister of Finance may award a moratorium on import duties on capital items for up to three years to companies, which do not qualify under existing incentive legislation and have the potential to contribute significantly to foreign exchange earnings.

(i) Accelerated Depreciation - certified companies are allowed to deduct 50 percent of the full cost of new machinery in the year of purchase and a further 50 percent in the following year.

(j) Other Incentives - a number of development banks provide concessionary financing for projects. The Jamaican National EXIM Bank provides concessionary interest rate loans for trade financing, while the Development Bank of Jamaica offers reduced lending rates to the productive sectors. The National Investment Bank of Jamaica also provides equity and quasi-equity financing for key economic sectors listed under the National Industrial Policy.

Foreign investors and their investment are generally granted national treatment status, subject to the rules outlined in their BIT. In essence, Jamaica has no performance requirements, except for companies with Free Zone status, which must export at least 85 percent of their output. Foreign firms are allowed to participate in GOJ-financed or subsidized R&D programs on a national treatment basis. Work permits are granted by the Ministry of Labor for a specified period, but are subject to the individual obtaining a working visa from the Jamaican Consulate available in or near their home state. Since 2005, foreign nationals

who are conducting business on short-term basis will not require a business visa once they will be in Jamaica for a period not exceeding thirty days. However, foreign nationals will need a business visa to enter Jamaica if they are conducting business for periods exceeding thirty days. Foreign nationals who need visas for entry to Jamaica will require a business visa to conduct business.

All importers are subject to the same procedures when trading in goods and services. To qualify for entry certificates, importers must obtain, inter alia, a supplier invoice, a certificate of value and origin, a declaration of value, and a bill of lading and sight. Products imported into Jamaica must also meet specific acts administered by the Jamaica Bureau of Standards. In December 2001, Jamaica imposed the International Organization for Standardization ISO date representation (yy/mm/dd) as the official format for trade, but date labels are still accepted in the traditional European style (dd/mm/yy). The Jamaican economy is relatively open, but some non-tariff barriers remain. For instance, the Veterinary Division requires certification from a U.S. federal agency for all products containing animal and animal by-products irrespective of quantity or form. Highly processed products such as cookies and chips therefore require certification from a government veterinarian. The Coffee and Coconut Industry Boards also have to issue import certificates for coffee beans and cooking oils, respectively, but importers can experience lengthy delays in obtaining these permits. Under intense pressure from farmers cooperatives, the GOJ instituted a 100 percent Common External Tariff (CET) plus an 80 percent Additional Stamp Duty (ASD), compounded to 260 percent, on whole chicken and leg-quarters and a number of imported vegetables.

Right to Private Ownership and Establishment

All private entities are entitled to establish and own business enterprises and engage in all forms of remunerative activity, subject to, inter alia, labor, registration and environmental requirements. Private entities are also free to establish, acquire and dispose of interests in business enterprises. Public and private enterprises have equal access to markets, credit and business operations, such as licenses and supplies. However, if the GOJ has to compete with the private sector, it will do so on a competitive basis so as to not distort the market.

Protection of Property Rights

The Jamaican Constitution guarantees property rights. Jamaica has a system of registered titles set out in the Registration of Titles Act, which recognizes and provides for the enforcement of secured interests in property by way of mortgage. It also facilitates and protects the acquisition and disposition of all property rights, though working through Jamaica's cumbersome bureaucracy can

result in significant delays. In particular, it sometimes takes a long time for landowners to secure titles. Squatting, especially on crown (government) lands has also become a challenge in the last ten years. Jamaica is a member of the World Intellectual Property Organization (WIPO) and is a signatory of the Bern Convention. Jamaica and the U.S. have an Intellectual Property Rights Agreement and a BIT, which provide assurances to protect intellectual property. However, Jamaica remains a special 301 "Watch List" country, largely because the patent law is not compliant with the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). A Geographical Indications Act (GI) was passed in 2004 to protect products that originate from localities where a particular quality or reputation is attributable to its geographical origin. General law provides protection for trade secrets. Protection against unfair competition is also provided by the general law and the Fair Competition Act.

The Copyright Act of 1993, as amended, complies with the TRIPS Agreement and adheres to the principles of the Bern Convention, and covers works ranging from books and music to computer programs. Amendments in June 1999 make explicit the provision of copyright protection on compilations of works such as databases and make it an offense for a person to manufacture or trade in decoders of encrypted transmissions. It also gives persons having rights in encrypted transmissions or in broadcasting or cable program services a right of action against persons who infringe their rights. The act needs to be amended to give effect to the provisions of the WIPO WCT and WPPT (Internet) Treaties to which Jamaica acceded in 2002. The Trademark Act of 1999 is also compliant with the TRIPS Agreement and provides the owner of registered trademarks exclusive rights for up to ten years, renewable. It provides for the protection of "well-known" marks under the Paris Convention. A TRIPS compliant Layout Designs Act has also been in effect since June 1999. The act provides protection for layout-designs for integrated circuits and gives the rights owner the exclusive right to reproduce, import, sell or otherwise commercially exploit the layout-design and to authorize other persons to do so. That right is in place for ten years and may be transferred by the rights owner.

Transparency of Regulatory System

A Fair Competition Act (FCA) was implemented in 1993 and is administered by the Fair Trading Commission. The main objective of the FCA is to prevent business interests and government policies from hindering the efficiencies to be gained from a competitive system. The FCA deals with misleading advertisements, price-fixing, collusion, unfair trading practices and interlocking directorships. To date the FTC has investigated over 5,000 cases, the majority of which are consumer protection related.

There are laws and policies covering taxation, labor, health and other issues to avoid distortions or impediments to the efficient mobilization and allocation of

investment. However, investors argue that the Redundancy Act, which deals with severance payment, is a disincentive to investment funds. In 2001, the mandate of the Anti-Dumping and Subsidies Commission was expanded through the implementation of a Safeguards Act, which protects producers from import surges. The GOJ also established the Office of Utilities Regulation to act as regulator of the country's utilities.

Although there has been improvement in the approval process for investment projects, it can still take anywhere from three months for Free Zone projects to over a year for green-field projects. Having recognized the problem, the GOJ has intensified its efforts to reduce bureaucracy as well as improve transparency and customer service levels within the public sector. A Ministry of Development was established to deal with investment bottlenecks. As stated above, the private sector, GOJ and USAID have also joined forces to implement a project (LEGS and REGS) to identify and deal with key legislation, regulations and processes that constrain business. The project is currently addressing the reform process with regard to the approval for development and building permits. It should be noted that as a result of this work, Jamaica was the top reformer globally this year on Dealing with Construction Permits, in the World Bank Doing Business 2009 Report, improving its rank on that indicator by 25 spots to 49th place.

The Embassy is not aware of any informal regulatory processes managed by NGOs or private sector associations or of any private sector and/or GOJ effort to restrict foreign participation in industry standards-setting consortia or organizations. However, in December 2004, the Free Trade Commission (FTC) implemented a non-legislative code of conduct governing the petroleum industry. The mandates of this code place restrictions on property sales and contracts between marketing companies and retailers, and are enforceable through fines levied by the FTC. Proposed legislation is available for public comment and submissions are generally invited from members of the public for items considered to be controversial. The legal, regulatory and accounting systems are transparent and consistent with international norms, and Jamaica has adopted the new International Financial Reporting System.

Efficient Capital Markets and Portfolio Investment

Since the 1980s, Jamaica has initiated reforms aimed at fostering private sector activity and increasing the role of market forces in resource allocation. These reforms intensified in the 1990s, resulting in trade, financial and capital account liberalization. This has led to the availability of credit on market terms and foreigners are allowed to borrow freely on the local market at market-determined rates of interest. While some major financial products are still lacking, the private sector still has access to a variety of credit instruments.

Jamaica has an effective regulatory system established to encourage and facilitate portfolio investment. The Financial Services Commission and the Bank of Jamaica jointly regulate portfolio investment. At the end of September 2008, the country's four largest commercial banks had total assets amounting to over USD 6 billion or 90 percent of the entire assets of commercial banks. Five of the country's seven commercial banks, including the four largest, are foreign-owned. During the mid-1990s there was a meltdown in the financial sector often referred as "FINSAC", but since 1998 there has been consolidation and increased output performance in the sector. Significant strides have also been made in terms of the regulatory framework, which are now in line with international standards. The non-performing loans portfolio as a percentage of the total asset base has moved from seven percent in 2000 to 2.4 percent at the end of September 2008.

Based on the Rule 404 of the Jamaica Stock Exchange (JSE), fully paid shares shall be free from any restriction on the right of transfer and from all liens. Two listed companies have clauses within their memoranda and articles of association that restrict foreign investors, but these predate the JSE. JSE listing arrangements allow for 20 percent of issued share capital to be listed, but there is no requirement that stipulates that this threshold must be maintained after listing. The rules of the JSE and the Security Acts also have specific provisions relating to the process of takeover and mergers, but these are general and, given that there are no specific provisions (except in the cases mentioned above) regarding restrictions to foreign participation, it follows that there are no specific measures designed to protect against hostile foreign takeovers.

Political Violence

Jamaica has had no incidents involving politically motivated damage to projects and/or installations. Crime poses a greater threat to foreign investments than do politically motivated activities. The resort city of Montego Bay experienced a day of social unrest in 2003, in response to alleged police excesses. The street demonstration, which included the blocking of roads, affected the flow of tourists between hotels and the airport. Violent crime, rooted in poverty, unemployment, and drug trafficking, is a serious problem in Jamaica, particularly in Kingston. Sporadic gang violence and shootings are concentrated in certain inner city neighborhoods, but can occur in other areas. Extortion is a serious problem in certain areas of the commercial district and on large construction projects - such as the Highway 2000 project.

Corruption

Jamaica has a Corruption Prevention Act (CPA), which established a Corruption Prevention Commission in 2003 to, among other things: (1) receive, examine and document the statutory declarations of public sector workers; (2) receive and

investigate any complaint regarding an act of corruption; and, (3) conduct investigation into acts of corruption, if satisfied there are reasonable grounds to do so. To date there has been no enforcement, as the commission lacks the capacity to enforce the filing of declarations. Recent reports suggest that non-compliance is running at over 30 percent. However, the commission will be working with the Director of Public Prosecution to have enforcement measures implemented. The Embassy is not aware of any disproportionate application of corruption measures against foreign investors, but some members of the private sector perceive that the law is not applied impartially among locals. During a recent panel discussion on governance, a GOJ Senator also stated that Jamaica had not done well in eliminating corruption from the public sector.

Jamaica is a signatory of the OECD Anti-Bribery Convention and has ratified the Inter-American Convention Against Corruption. Anti-corruption initiatives have been taken within the Jamaica Constabulary Force as well as some private sector organizations. Prosecutors also continue to take part in regional anti-corruption conferences, with one such conference developed by the United States Department of Justice (USDOJ). However, Jamaica is not a signatory to the UN Anticorruption Convention. The Embassy is not aware of any U.S. firm identifying corruption as an obstacle to foreign investment. Transparency International (TI) performed a formal study of corruption in 2003. The TI report identifies widespread political, petty, and narcotics-related corruption as being prevalent in Jamaica. According to Transparency International's Perception Index, the perception of corruption in Jamaica has worsened in the past three years. The island has slid from a score of 3.7 out of 10 in 2006, to 3.3 in 2007, down to 3.1 in 2008. This score places Jamaica in the same category as Benin, Gabon, Guatemala, and Mali.

Corruption may well be the single greatest concern among Jamaicans, most of whom believe it one of the root causes of the high crime rate. In the past year, 16 police officers have been arrested for alleged acts of corruption, but only one has been at senior level. Despite numerous allegations of public corruption, the last conviction of a politician on corruption charges was in 1981. In recent times only one politician has been arrested on charges of corruption; he is currently awaiting trial.

Under the Corruption Prevention Act (CPA), it is an offense to solicit or accept a bribe. Public servants can be imprisoned for up to ten years and fined as much as JMD ten million if found guilty of engaging in acts of bribery. Individuals and companies are also criminally liable if they bribe foreign public officials and can be prosecuted and face the same penalties. The legislation covers public officials who meet the JMD two million salary threshold and those working in sensitive positions such as police and military officers. However, it is well known that a number of public officials have been delinquent in complying with mandatory filing. The creation of the CPA could be viewed as evidence that GOJ officials are taking anti-corruption efforts seriously. However, financial

constraints have crippled the commission's ability to fully execute its mandate of enforcing asset declarations. In 2007, The GOJ passed into law the Proceeds of Crime Act (POCA), a powerful legal tool that allows for both criminal and civil forfeiture and criminalizes money laundering related to narcotics offenses, fraud, firearms trafficking, human trafficking, terrorist financing and corruption, and applies to all property or assets associated with an individual convicted or suspected of involvement with a crime.

More active enforcement of the POCA by the GOJ would certainly strengthen anti-corruption efforts.

U.S. investors should be aware of the U.S. provisions of the Foreign Corrupt Practices Act (FCPA) which, in general, prohibits corrupt payments to foreign officials for the purpose of obtaining or keeping business. See the U.S. Department of Justice website for more information.
<http://www.usdoj.gov/criminal/fraud/fcpa/>

The CPA also contains provisions for the extradition of Jamaican citizens for crimes of corruption. In April 2002, Prime Minister Patterson tabled a code of conduct in Parliament for government ministers. The 49-point code covers such issues as conflict of interest and integrity in the conduct of public and private business. The agency responsible for combating corruption is the Commission for the Prevention of Corruption. Other “watchdog” organizations operating in Jamaica include Transparency International, Jamaicans for Justice, Families Against State Terrorism and the Farquharson Institute of Public Affairs.

Bilateral Investment Agreements

Jamaica has investment treaties with the United States (Feb. 1994, which came into force in March 1997), Argentina (Feb. 1994), France (Jan. 1993), Italy (Sept. 1993), Germany (Sept. 1992), Netherlands (Apr. 1991), Switzerland (Dec. 1990), the United Kingdom (Jan. 1987), China (1998), Cuba (May 1997), Egypt (Feb. 1999), Indonesia (Feb. 1999) and Zimbabwe (Feb. 1999) and is presently negotiating bilateral investment agreements with South Korea, Costa Rica, Belgium, Russia and Canada. Jamaica has also signed and ratified double taxation agreements with the U.S., Canada, CARICOM, China, Switzerland, Germany, Norway, Sweden, Denmark and the United Kingdom.

OPIC and Other Investment Insurance Programs

The Overseas Private Investment Corporation has identified infrastructure, telecommunications, construction, tourism and renewable energy as areas where its programs can have an impact in Jamaica. OPIC political risk insurance can insure up to USD 40 million per project. OPIC also provides medium to long-term financing to ventures with significant U.S. participation. OPIC can normally

guarantee or lend from USD 0.1 to 250 million per project. OPIC has historically committed more than USD 750 million in insurance and financing to support over 80 projects in Jamaica in industries such as construction, energy, telecommunications, and tourism. The country became a signatory to the Multilateral Investment Guarantee Agency in 1986 and ratified the agreement in 1987.

The foreign exchange market remained relatively stable for the first nine months of 2008, depreciating by 1.6 percent. However, by October the effects of the global financial crisis became evident, with the local currency slipping by over eight percent to the first week of December. The sharp depreciation has been underpinned by a confluence of demand and supply factors led by increased margin calls from overseas creditors. Demand pressures were also compounded by increasing Jamaican dollar liquidity as local financial institutions converted maturing debt instruments into hard currency. The increased demand for hard currency could not have come at a worse time, as it coincided with the slow period for inflows and the traditional demand spike for foreign currency to purchase Christmas supplies. But one of the single greatest shocks to the foreign exchange market came from the negative ratings released by the three main ratings agencies. But a currency adjustment was not unexpected given the 16.8 percent spike in inflation to September, 2008, which represented an almost 15 percent real appreciation in the currency. And with confidence waning and rising inflation rendering returns on local instruments negative, investors were always going to switch to foreign assets to hedge against any further erosion in real returns. High commodities prices led by oil imports had also influenced a USD 793 million deterioration in the current account balance to June 2008. With foreign investment inflows drying up and the capital market shut, there would have been a shortfall in the supply of foreign inflows required to finance the current account, thus forcing the exchange rate to adjust.

To address the instability, the Central Bank drew on its arsenal of monetary tools to temper demand pressures. On October 15, the Bank introduced a temporary USD loan facility for institutions affected by margin calls. Two days later the Bank complemented this response by hiking interest rates by up to 1.2 percent. The bank followed up by facilitating the flow of credit among financial institutions to moderate the pressures in the foreign exchange market, while assisting the continued functioning of the inter-bank credit market. At the same time, the Bank sold over USD 400 million or 20 percent of its stock of Net International Reserves (NIR) to the currency market to shore up supplies, thus, bringing NIR down from USD 2.1B in 2007 to USD 1.7B in December 2008. However, these policy responses were not sufficient to alleviate the demand pressures in the currency market, due to a build up in Jamaica dollar liquidity stemming from maturing debt instruments. To remove this liquidity, the Bank embarked on an even more aggressive monetary program, offering an attractive short term instrument with interest payable at 20.5 percent as well increasing the cash reserve requirement by two percentage points to 11 percent. Interest rates were further hiked to as

high as 24 percent for one year instruments. These measures were accompanied by an 18-month GOJ USD indexed bond with a coupon of 11.5 percent.

Labor

Jamaica had an estimated labor force of 1.3 million at the end of January 2008, of which 10.2 percent was unemployed. Since 1999 there has been a steady increase in the numbers of people trained in information technology, particularly for call centers, and most of these workers have been absorbed by the growing call center industry. There has also been a jump in the number of university graduates, but the numbers have been depleted by migration to North America and the UK. This has apparently led to a shortage of highly educated and experienced labor as evidenced by the number of advertisements for these workers in the newspapers weekly. On the other hand, there has been a marked increase in the number of work permits issued to expatriates, particularly in the services sectors. In 2007, a total of 5,927 permits were issued, down 6.3 percent, suggesting a falloff in the demand for permits as some tourism projects are completed.

Jamaica has an active and strong trade union movement with membership equal to an estimated 20 percent of the labor force, although the movement is considerably weaker now than historically has been the case. Labor relations have traditionally been adversarial due to the level of distrust between workers and management. However, both parties have attempted to enhance the relationship between them by enacting a program for the management of labor cooperation (PROMALCO).

Jamaica has a number of labor friendly laws including the Employment (Termination and Redundancy Payments) Act, 1974 (as amended) (ETRPA). Under the Act, subject to some exclusions, employees with not less than two years continuous employment, who are dismissed on the grounds of "redundancy" are entitled to redundancy payment. As a general rule, workers with up to ten years continuous employment are entitled to two weeks payment for every year as well the requisite notice pay, while workers with over ten years continuous employment are entitled to three weeks payment plus notice pay (notice pay is the period in which the employee must give notice to their employer before leaving their position except in certain cases such as firing for cause).

Jamaica has ratified the following ILO Conventions: Right of Association (Agriculture) Convention 1921 – ratified July 8, 1963; Freedom of Association and Protection of the Right to Organize Convention, 1948 - ratified December 26, 1962; and, Right to Organize and Collective Bargaining Convention, 1949 – ratified December 26, 1962. The GOJ is adopting the ILO policy on HIV/AIDS in the workplace. The GOJ, working in conjunction with the ILO and local

stakeholders, has also developed a national plan of action on flexibility in working time to guide flexible working arrangements in Jamaica. Under the Work Permit Act, a foreign national who wishes to work in Jamaica must first apply for a permit issued by the Ministry of Labor. The law, which seeks to give first preference to Jamaicans, requires organizations planning to employ foreign nationals to prove that attempts were made to employ a Jamaican national.

Foreign-Trade Zones/Free Ports

Jamaica's Free Zones Act allows investors to operate solely with foreign exchange in activities such as warehousing, refining, manufacturing, redistribution, processing, assembling, packaging, and services such as insurance and banking. Incentives offered include a 100-percent tax holiday in perpetuity, no import licensing requirements, and exemption from customs duties on construction and raw materials, capital goods, and office equipment. Manufacturing companies operating in the Free Zones are allowed to sell 15 percent of their production on the local market with the approval of the responsible minister. Duty-free zones are primarily found in airports, hotels, and tourist centers and, as with free zone activities, do not discriminate on the basis of nationality. The Kingston and Montego Bay Free Zones provide factory space for the above listed activities. Amendments have also been made to the Jamaica Export Free Zone Act to allow for the establishment of Single Entity Free Zones, with individual companies now designated as free zones. The Kingston Free Zone has recently developed an Informatics Park.

For foreign trade zone information investors can contact:

Ms. Beverly Williamson, Senior Vice-President, Business Management and Special Projects, Kingston and Montego Bay Free Zones, 27 Shannon Drive, Kingston 15, Tel: (876) 922-0290-8; 923-5274-5/6021; Fax: (876) 923-6023. 1 Mangrove Way, Montego Bay Free Port, P.O. Box 1377, Montego Bay, Tel:(876) 979-8696; Fax (876) 979-8088; Email: bwillaimson@portjam.com

Ambassador Stewart Stephenson, General Manager, Factories Corporation, 1 King St. Kingston, Tel: (876) 924-9600 -1; Fax: (876) 924-9630; Email: factories@cwjamaica.com

Foreign Direct Investment Statistics
f. Foreign Direct Investment Statistics

Table 1: FDI Stock in Jamaica (USD Million)

	2001	2002	2004	2005	2006	2007
Inward	4,040	4,409	5,783	6,335	7,264	8,580
Outward	798	872	1,079	1,174	1,257	817

Source: World Investment Report, 2005

Table 2: FDI Stock as a Percent of GDP

	2001	2002	2004	2005	2006	2007
Inward	50.5	56.7	66.4	65.1	68.8	76.6
Outward	10.3	11.2	12.4	12.1	11.9	7.3

Source: World Investment Report, 2005

Table 3: Inward FDI (USD Million)

	2002	2003	2004	2005	2006	2007
Direct Investment	479	721	602	683	882	867
Bauxite Sector	108	150	57	112	336	217
JAMPRO	79	201	n/a	173	315	277
Ret. Earnings	162	158	178	202	132	177
Divestment	84	0	0	0	0	0
Other	46	212	367	197	99	196

Source: Bank of Jamaica

Table 4: Inward FDI as a percentage of GDP

	2001	2002	2003	2004	2005
Direct Investment	8.7	6.6	9.5	6.7	7.9
Bauxite Sector	1.2	1.5	2.0	0.7	1.3
JAMPRO	1.6	1.1	2.6	0.9	2.0
Ret. Earnings	1.6	2.2	2.1	2.0	2.3
Divestment	3.3	1.1	0.0	0.0	0.0
Other	1.0	0.6	2.8	3.2	2.3

Source: Bank of Jamaica

Table 5: FDI Projects Facilitated by Jamaica Promotions by Sector (USD Million)

01/02	02/03	03/04	04/05	05/06	06/07
-------	-------	-------	-------	-------	-------

TOTAL	289.2	462.7	105.8	153.8	233.2	265.7
Agriculture	0.0	5.6	2.9	6.4	3.0	0.0
Music, Film, Ent.	9.8	9.4	14.2	12.3	15.0	0.0
Info Tech.	186.0	277.0	45.9	11.4	64.3	55.7
Manufacturing	56.5	85.6	31.1	0.0	11.1	38.9
Mining/Chemicals	0.4	30.4	0.4	4.6	16.0	1.3
Tourism	36.5	54.6	11.1	119.2	123.9	169.8

Source: Jamaica Promotions Agency (JAMPRO)

Table 6: FDI Projects Facilitated by JAMPRO by Selected Country of Origin, FY 99-07

Country and Sector	JDOLS Millions
BELGIUM	
Tourism	100.0
CANADA	
Film	126.7
Information Technology	7,068.2
Manufacturing	546.3
Mining and Chemical	213.5
CAYMAN ISLAND	
Tourism	78.2
DOMINICAN REPUBLIC	
Information Technology	276.0
Manufacturing	284.9
GERMANY	
Film	131.3
ITALY	
Tourism	58.3
JAPAN	
Film	14.2
RUSSIA	
Film	228.5
SOUTH AFRICA	
Manufacturing	27.2
SPAIN	
Tourism	26,536.0
ST. LUCIA	
Manufacturing	88.6
TAIWAN	
Agriculture	570.4
TRINIDAD AND TOBAGO	
Mineral and Chemical	1,466.8
Manufacturing	2,327.0
U.S.A.	
Agriculture	182.0

Film	1,414.9
Information Technology	13,508.7
Manufacturing	2,367.0
Mining and Chemicals	674.2
Textiles	102.5
Tourism	6,378.3

UNITED KINGDOM

Film	277.9
Information Technology	9,277.1
Manufacturing	1,842.3
Tourism	124.1

MULTIPLE OWNERS

Film	784.6
Tourism	1,629.1

Source: JAMPRO (does not capture all new investments)

Jamaica has a long history of attracting foreign direct investment from the United States. Among the major U.S. investors operating in Jamaica are:

Accounting

KPMG Peat Marwick
Price Waterhouse-Coopers

Advertising

Lindo Foote, Cone & Belding (FCB)
McCann Erickson (Ja.) Ltd.

Agribusiness and Beverages

ADM Milling Company
Coca Cola Jamaica
Nabisco Brands, Inc.
Pepsi-Cola Jamaica Bottling Plant
Kraft

Banking & Finance

Citibank N.A.

Chemicals/Pharmaceuticals

Alkali Group of Companies
Antilles Chemical Co.
Cetco Water Laboratories
Diversey-Lever Jamaica Ltd.
Fabcon (Caribbean) Ltd.
Industrial Gases Ltd. (IGL)
Sherwin Williams W.I. Ltd.
Smithkline Beecham International

Computers and Data Processing

Data Key Processors Jamaica Ltd.
Fargo Electronics
IBM World Trade Corp.
Jamaica Digiport Int'l Ltd.
Media Track Inc.
Microsoft
New Horizons Learning Centre
Oceanic Digital Jamaica Ltd.
Productive Business Solutions Ltd.
Standard Data Systems

Consumer Products

Colgate Palmolive
F. W. Woolworth & Co. (Ja.) Ltd.
Gillette Caribbean
Johnson & Johnson
KIWI Brands Caribbean Ltd.
Mead Johnson
Meineke
PriceSmart
Rooms-to-Go

Courier Service

FedEx
UPS
International Bonded Couriers

Insurance

American Home Assurance Co.
Blue Cross Shield of Jamaica

Manufacturing and Assembly

Baywind Manufacturing Ltd.
3-M Interamerica Inc.
Custom Marble & Design Jamaica Ltd.
Econ Industries Inc.
Goodyear (distributor)
Hofmann and Leavy Jamaica Ltd.
Jamaica Bow Co. Ltd.
Jockey International Jamaica Ltd.
Johnson & Johnson
Sealy Mattress Company
Singer Sewing Machine Co. Ltd.
Sportswear Producers Ltd.
West Indies Nutritional Corporation Ltd.
Williamson Dickie Jamaica Ltd.

Mining & Energy

Alcoa Minerals of Jamaica, Inc.
Alumina Partners of Jamaica (ALPART)
Jamaica Energy Partners
Jamaica Private Power Company Ltd.
Kaiser Bauxite Company
Texaco Caribbean Inc.

Project Management

Boyken-Mortimer International LLC

Tourism and Hospitality Industry

American Airlines
American Express Int'l Inc.
Baskin Robbins
Churches Fried Chicken
Continental Airlines

Hertz (Liberty) Car Rental
Hilton (Kingston) Hotel
Holiday Inn Sunspree Resort
Kenny Rogers Roasters Chicken
Pizza Hut
Popeye's Chicken and Seafood
Renaissance Jamaica Grande Hotel
Restaurants Associates Ltd. – Burger King
Restaurants of Jamaica Ltd. – Kentucky Fried Chicken
Ritz Carlton Hotel
Spirit Airlines
Subway (Ja.) Ltd.
TCBY Frozen Yogurt
Wendy's
Wyndham Rose Hall Hotel

Web Resources

[Return to top](#)

[Return to table of contents](#)

Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

How Do I Get Paid (Methods of Payment)

[Return to top](#)

The most common method of payment is via a letter of credit. Depending on the circumstance, cash in advance may be requested but many Jamaican companies would be cautious about using that method. After a good business relationship has been formed, companies in good standing may move towards trading on an open account. There is currently no local credit rating agency in Jamaica, but a regional outfit, Caribbean Information and Credit Ratings Services Limited (CariCRIS), was formed in 2004. Occasionally, U.S. firms register trade complaints for non-payment by local buyers.

How Does the Banking System Operate

[Return to top](#)

Financial Institutions in Jamaica provide a full range of services and solutions for individual and business/corporate banking. These include current accounts, savings accounts, loans, credit cards and Internet banking (most institutions). Most credit cards issued by a local bank are for use in Jamaica only, but international credit cards have grown in importance. At the end of 2006 there were 133 financial institutions of which six were commercial banks, four were building societies, 17 were insurance companies, 50 were Securities Dealers, 47 were Credit Unions, four were Development Banks, and the rest were institutions registered under the Financial Institutions Act. These institutions provide services ranging from retail and corporate services to development and export financing. The Bank of Jamaica and the Financial Services Commission regulate the financial system. Following the meltdown of the financial sector in the 1990s, the GOJ increased the prudential and supervisory powers of the BOJ by passing the Financial Institutions Act and the Banking Act. Amendments were also made to the regulations governing Building Societies. A Deposit Insurance Corporation (JDIC) and a Financial Services Commission (FSC) were introduced to protect depositors and regulate institutions and brokers outside the scope of the Central Bank's oversight. These adjustments have brought the regulatory standards governing the financial sector up to international standards and should therefore aid rather than impede businesses.

Foreign-Exchange Controls

[Return to top](#)

Since liberalization of the financial and capital accounts in the 1990s, all foreign exchange controls have been removed, but the BOJ still regulates activities in the foreign exchange market. Foreign currency can be accessed through a network of authorized foreign exchange dealers, cambios and bureaux de change at market-determined rates.

U.S. Banks and Local Correspondent Banks

[Return to top](#)

Citigroup currently operates in Jamaica, but it does not offer retail-banking services. The Jamaica National Building Society (which specializes in home mortgages) is the only Jamaican financial institution with branches in the U.S. All Jamaican commercial banks have correspondent U.S. banking arrangements.

Project Financing

[Return to top](#)

Major projects are financed by one or a combination of the following methods: own funds; bank loans; retained earnings; equities; development bank financing; international private capital; bonds; and bilateral and multilateral loans and grants.

Web Resources

[Return to top](#)

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

Inter-American Development Bank www.iadb.org

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)
- [Web Resources](#)

Business Customs

[Return to top](#)

Jamaica is a former British colony and visitors will notice some similarities between what happens in both countries in terms of practices, traditions and customs. At the same time, business practices from North America have grown in influence. In Kingston, depending on the type of business, a business suit or blazer is normal – especially for a first meeting. Dress tends to be less formal in resort areas such as Montego Bay and Ocho Rios, but even in these areas overly casual attire might not create a good impression.

Travel Advisory

[Return to top](#)

http://travel.state.gov/travel/cis_pa_tw/cis/cis_1147.html

Visa Requirements

[Return to top](#)

U.S. citizens can enter the country with either a passport or proof of citizenship (a certified true copy or original birth certificate) and a photo I.D. (e.g., valid driver's license). No visa is required. Effective 2005, foreign nationals who are conducting business on short-term basis will not require a business visa once they will be in Jamaica for a period not exceeding thirty days. However, foreign nationals will need a business visa to enter Jamaica if they are conducting business for periods exceeding thirty days. Foreign nationals who need visas for entry to Jamaica will require a business visa to conduct business. Affidavits will not be accepted by the immigration office.

U.S. Companies that require travel of foreign businesspersons to the United States should allow sufficient time for visa issuance if required. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

<http://usembassy.state.gov/kingston/www/facs.html>

Telecommunications

[Return to top](#)

Jamaica has a modern and fully liberalized telecommunications system, which has seen phenomenal expansion since 2001. The former monopoly full-service provider, Cable and Wireless Jamaica Ltd (CWJ) which changed its name to LIME in late 2008, now faces competition from Digicel (offers GSM mobile service) and America Movil - CLARO (3G network). ATT Wireless purchased a third mobile license, but failed to meet the terms of the license. There are several Internet service providers – the main ones being new player FLOW, C&W and Infochannel. All three provide high speed ADSL service. In January 2005, licenses were granted to allow the provision of two additional submarine fiber-optic cable connections for international communications. To date only FLOW has rolled out its service.

Transportation

[Return to top](#)

Jamaica has two international airports – Norman Manley in Kingston and Sangster in Montego Bay. Most business people traveling between Kingston and the United States choose either American Airlines or Air Jamaica. However there are several other options such as U.S. Air and Spirit, which have daily flights to Kingston and Montego Bay. Other airlines serving Montego Bay include Delta, Northwest and Continental. The airport in Montego Bay is the larger and has been upgraded to international standards. This airport also has more flights and airline options. A relatively new company, International Air Link (www.intlairlink.com) now offers small plane service to Kingston, Montego Bay, Ocho Rios and Negril. Ground transportation is available through taxis, car rental and public transportation, but allowance should be made for possible delay arising from traffic congestion in the capital city, Kingston. However, while public transportation is much improved, it is still not recommended for business purposes.

Language

[Return to top](#)

The language spoken is English. (There is also a Jamaican dialect known as patois.)

Health

[Return to top](#)

Jamaica has a number of public and private hospitals. Most public hospitals have deteriorated over time due to lack of capital expenditure. At least one major hospital operates a private wing, which provides world-class health care. While there is significant room for improvement in sanitation standards, the existing state of the health sector compares favorably with other developing countries. The Embassy is not aware of any potential health risks of which businesspersons should be notified.

Local Time, Business Hours, and Holidays

[Return to top](#)

The normal working day for government offices and factories is 8:30 a.m. to 5:00 p.m. Monday through Thursday, and 8:30 a.m. to 4:00 p.m. on Fridays. Government offices are generally closed on Saturday and Sunday. Almost all commercial businesses are open on Saturday, but only few open on Sunday. Jamaica is on Eastern Standard Time (EST) year round and does not observe daylight savings time.

Holidays observed in Jamaica are the following:

New Year's Day.....	January 1
Ash Wednesday.....	Variable
Good Friday.....	Variable
Easter Monday.....	Variable
National Labor Day.....	May 23
Emancipation Day.....	August 1
Independence Day.....	August 6
National Heroes Day.....	October (Variable)
Christmas Day.....	December 25
Boxing Day.....	December 26

Temporary Entry of Materials and Personal Belongings

[Return to top](#)

Those who wish to bring in items temporarily such as software, exhibit material, etc., are required to identify the items at Customs, pay the required duty and General Consumption Tax (as security) and collect a refundable revenue deposit receipt. On exit from the country, the Customs authority refunds the entire amount paid as security. In the case of importing machinery for just three to six months, the above procedure applies in addition to completed Customs Form C25. Laptop computers can be brought in duty free.

Web Resources

[Return to top](#)

<http://usembassy.state.gov/kingston/>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 9: Contacts, Market Research, and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

Contacts

[Return to top](#)

Ministry of Agriculture www.moa.gov.jm
Ministry of Commerce, Science and Technology www.mct.gov.jm
Ministry of Education, Youth and Culture www.moec.gov.jm
Ministry of Finance and Planning www.mof.gov.jm
Ministry of Foreign Affairs and Foreign Trade www.mfaft.gov.jm
Ministry of Health www.moh.gov.jm
Ministry of Industry and Tourism www.visitjamaica.com
Ministry of Justice www.moj.gov.jm
Ministry of Labor and Social Security www.lmis-ele.org.jm
Ministry of Local Government and Community Development www.mlqcd.gov.jm
Ministry of National Security www.mns.gov.jm
Ministry of Transport and Works www.mtw.gov.jm
JAMPRO www.investjamaica.com
Private Sector Organization of Jamaica www.psoj.org
Jamaica Manufacturers' Association www.jma.com.jm
Jamaica Chamber of Commerce www.jcc.org.jm
American Chamber of Commerce of Jamaica www.amchamjamaica.org

U.S. Commercial Service www.buyusa.gov/caribbean

Market Research

[Return to top](#)

To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Trade Events

[Return to top](#)

Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

www.buyusa.gov/caribbean

[Return to table of contents](#)

U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.