
Doing business in Jamaica





Contents

The main objective of this guide is to provide you with basic knowledge about Jamaica; an overview of the economy, business culture, potential opportunities and any other relevant information to help you have success in the Jamaican market. Novice exporters, in particular will find it a useful starting point. Further assistance and information is available from the UKTI team in Jamaica.

Section 1: Introduction

- 3 Country Overview
- 6 Economic Overview
- 8 Political Overview

Section 2: Business Environment

- 9 Overview
- 10 Sectors
- 13 Business Culture and Etiquette

Section 3: Resources

- 14 Getting Here
- 15 Preparing to Export
- 16 Trade and Umbrella groups

About the author

Charmaine is a Jamaican national with extensive background in the field of marketing and communications in a number of industries including banking, retail and advertising industries. She now offers her extensive marketing skills and trade experience to the expansion of UKTI's operations in Jamaica and the Bahamas.

Contact

Charmaine Wright

UK Trade and Investment
Head of UKTI
Kingston, Jamaica
(876) 936-0717

charmaine.wright@fco.gov.uk

28 Trafalgar Road
Kingston 10
Address 3
Jamaica

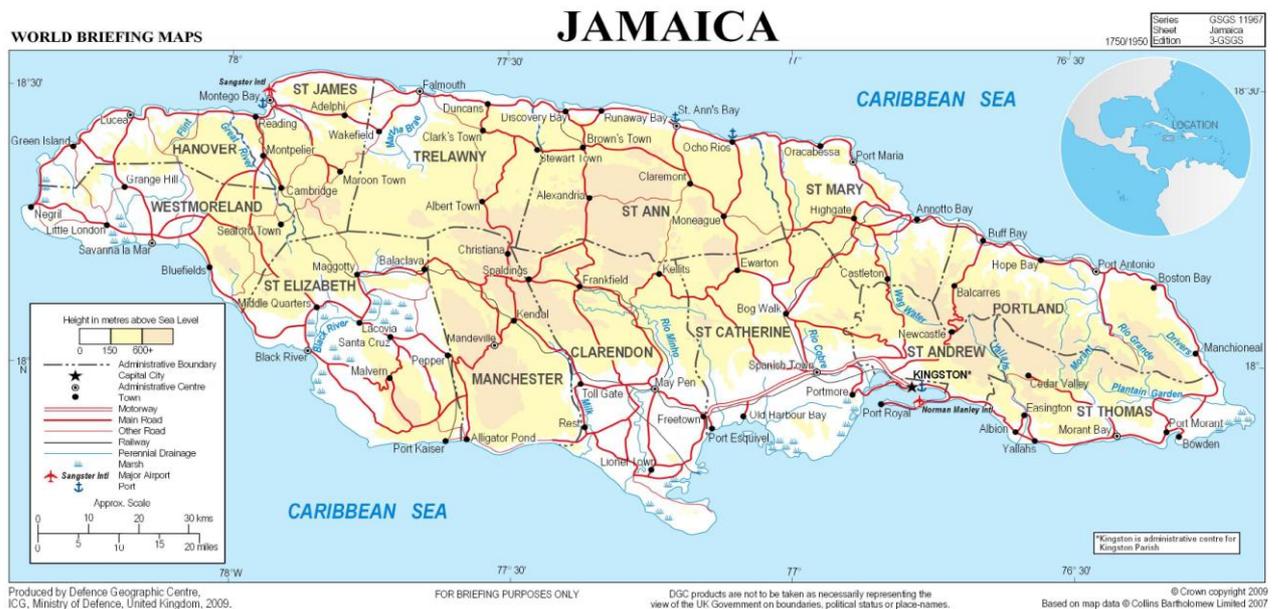
**To find out more contact the UKTI team in Jamaica
or visit www.ukti.gov.uk**

The purpose of the Doing Business guides, prepared by UK Trade & Investment (UKTI) is to provide information to help recipients form their own judgments about making business decisions as to whether to invest or operate in a particular country. The Report's contents were believed (at the time that the Report was prepared) to be reliable, but no representations or warranties, express or implied, are made or given by UKTI or its parent Departments (the Foreign and Commonwealth Office (FCO) and the Department for Business, Innovation and Skills (BIS)) as to the accuracy of the Report, its completeness or its suitability for any purpose. In particular, none of the Report's contents should be construed as advice or solicitation to purchase or sell securities, commodities or any other form of financial instrument. No liability is accepted by UKTI, the FCO or BIS for any loss or damage (whether consequential or otherwise) which may arise out of or in connection with the Report.

Section 1: Introduction

Country Overview

Jamaica is the second biggest market in the Caribbean Community and is renowned for its strong business acumen and the warm and enterprising spirit of its people. The country's proximity to the Panama Canal and the major centres of commerce in North and Central America is among its many attributes as a destination for doing business. Jamaica is less than 90 minutes from Miami by plane, 90 miles south of the coast of Cuba and 100 miles west of the Greater Antilles chain. The country has a population of over 2.7 million people, in addition to its robust tourism trade which sees 3.3 million visitors a year. The country remains part of the Commonwealth and many of Jamaica's legal and regulatory systems are modelled on English systems. The island is 4,244 square miles and is divided into 14 parishes. Kingston, the capital and commercial centre of Jamaica, is situated on the south-east coast of the island. Montego Bay is on the north-west coast and is the island's second city and the island's tourism capital.



Opportunities in Jamaica

As the largest English-speaking country in the Caribbean, Jamaica also takes pride of place as a growing marketplace with a host of opportunities for an enterprising investor or businessperson. The country has a robust financial sector, active business environment, strong telecommunications network and linkages to international markets by sea and air. The country's principal industries are tourism, agriculture, mining and the manufacturing of food and beverages. Among the opportunities for investment are tourism (especially in niche areas like health tourism), security, renewable energy, education and ICT.



Strengths of the Market

- A mixed, free-market economy
- English is the accepted business language
- Close proximity to the USA, Central America and Canada
- Excellent telecommunications networks including voice and data services.
- Efficient ports, airports and highway networks
- Innovative business culture
- Competitively priced labour force
- Abundance of natural resources

UK products and services in Jamaica

The relationship between Jamaica and the UK has traditionally been strong with a substantial British presence in the market. The main products imported by Jamaica from the UK include machinery, other manufactured goods, appliances, food products, automobiles and beverages. Additionally, there is ongoing growth in the movement in petroleum products, fertilisers, textiles, seafood and furniture. There is also a strong presence in the services sector with a number of experts being hired for consultancies in a variety of areas.

Top ten UK exports to Jamaica in 2012

1. Manufactured Goods
2. Automobiles
3. Pharmaceuticals and medicines
4. Industrial Machinery
5. Appliances
6. Perfumes and essential oils
7. Instrumentation
8. Furniture and bedding
9. Beverages
10. Petroleum products

Challenges

Jamaica is an excellent destination to live and to do business but it is not without its challenges. Crime remains a major concern for those who want to do business here. Crime rates, especially serious crimes, have been trending down over the last few years and this remains one of the areas of focus for the Government. Most businesses, and many residents, do use private security companies to bolster the services of the public providers. At all times, we urge business people to be mindful and cautious as they would in any other urban environment.



Doing business in Jamaica is sometimes challenging because of the bureaucracy. Currently Jamaica ranks 90th out of a pool of 185 countries, in the World Bank's 2013 Doing Business Report. Jamaica is in the process of reforms that should shorten the time to pay taxes, make it easy to access utilities and have better access to capital. On a positive note the country was commended for its ease of starting a business!

High energy costs is another thing that plagues Jamaica's business community. Jamaica's energy costs are among the highest in the region, often at US\$0.30-\$0.40 for businesses and this means manufacturing and other high volume industries are constrained. This is not without mitigating factors, the country is rich in the potential to produce solar energy and there are a number of incentives to promote the use of renewable energy. In addition, there are occasional (and usually brief) power outages because of the advanced age of the country's energy infrastructure. It is recommended that back-up power be factored into any plan to have a permanent business in Jamaica.



Economic Overview

Jamaica has an economy that has been struggling to stay on a growth trajectory and, where there is growth, it is modest. The country is however buoyed by a strong underground economy, estimated at 35% of Gross Domestic Product (GDP) by the International Monetary Fund (IMF) in 2008, considerable natural resources and a generous amount of foreign aid. In 2012/2013 financial year, the country reported a GDP of US\$15.2 billion.

The onset of the global economic downturn has impacted negatively on the country, however, there are signs that the economy is turning around. This is manifested in several industries where the rate of decline seems to be lessening, especially in the 'Goods Producing Sector.' Tourism is the fastest growing and most profitable sector. Along with remittances and bauxite they are the top three contributors to GDP.

In addition the country benefits from a strong stream of assistance, in the form of loans and grants, from multilateral financial institutions and countries. This support totalled over US\$ 171.9 million in new development assistance in 2012. This provides much-needed funding for infrastructure support, economic reform and social intervention.

Jamaica is a leading member of the Caribbean Community (CARICOM) which promotes the integration of the economies of the member states within CARICOM. Investment has been boosted via the European Partnership Agreement, Caribbean Development Bank, Inter-American Development Bank and United Nations which aids in the acceleration of trade. Jamaica also benefits from further assistance from the Department for International Development (DFID) in the UK, United States Agency for International Development (USAID) and Canadian International Development Agency (CIDA).

In addition to a range of other interventions, the Jamaican government has signed an agreement with the International Monetary Fund (IMF) that will provide income to stabilize the economy. The IMF will also work with the Government on a number of initiatives to bring far-reaching reform to the economy and improve the horizon in the near and medium-term.

Among the major concerns for Jamaica is a weakening dollar, exacerbated by Jamaica's dependence on oil as a major source of energy. To combat this, the Government is in the process of diversifying the existing energy landscape to include more renewable energy options and also looking at using alternative sources for the country's energy plants.

Working Population

Jamaica has just fewer than 3 million people, with a high percentage of those being of working age and with a literacy rate of 92%. There is a strong cohort of high skilled and educated people ready to contribute to the success of your business or to become your customers.

The nation prides itself on having hard-working people but there are some concerns about the level of productivity, especially among the lower-skilled workers. The number of persons in the employed labour force is 1.2 million and Jamaica's unemployment was at 13% in 2012. High unemployment will mean that you are able to access highly qualified people who will be willing to work for more modest wages than in developed nations.



The largest proportion of the population is found in Kingston & St Andrew followed by St Catherine. The working age population (15 – 64) represents 63.7 percent of the total population. The age dependency ratio declined to 57.0 dependents per 100 persons of working age in 2008, from 66.7 persons in 2001 and 73.3 persons in 1991. The lower age dependency ratios are an indication that the potential for increasing production and improving the standard of living exists, provided that jobs are created for the expanding working age population.



Political Overview

Jamaica's political system and constitution are largely modelled on the UK's Westminster model and the country is a democracy. National elections are held every 5 years and the last one was held in December 2011. At that time, Mrs. Portia Simpson Miller and her People's National Party (PNP) won a decisive victory over Mr. Andrew Holness and his Jamaica Labour Party (JLP). This means that the ruling party has a large parliamentary majority – 42 out of a total of 60 seats- and therefore faces little opposition in passing laws for which it has internal support.

The political situation in Jamaica is very stable with little to no unrest. The country's civil society is strong and speaks about issues such as police excesses with little fear of reprisal. There appears to be a good working relationship between the Government and these groups.

As elections are due in 2016, the Government has much to do to maintain its support in the face of fiscal tightening and a lack of tangible progress in the economic situation of the people it serves. There is an expectation though, that the popular Mrs Simpson Miller will be able to help her party overcome those obstacles and retain power in the coming election.



Section 2: Business Environment

Overview

The UK and Jamaica have had a proud history of trade and that continues in the current market. Many British products are on supermarket shelves, are found in schools and provide high-level consulting services to businesses in Jamaica. In general, Jamaica is very encouraging of foreign direct investment (FDI) and has found many ways to encourage investment in the country including a number of incentives and waivers. Jamaica also has a strong programme to support overseas investment and businesses as the Government and business community are aware of the economic benefits that can be derived from them. This is demonstrated by a number of incentives to attract business.

Kingston Harbour is just 32 miles from the trade routes that pass through the Panama Canal and is the seventh largest natural harbour in the world. As such, Jamaica is an ideal transshipment hub or base with which to access the Caribbean, North, Central and South Americas.

Many well-known UK companies are already in Jamaica, including British Airways, Diageo, Virgin Atlantic and Cable and Wireless (trading as LIME) and are doing good business in the country. Jamaica's legal and political systems are largely a legacy of the UK's model and it is therefore easy to adapt to doing business in Jamaica.



Sectors

Agriculture

Agriculture used to be the mainstay of the Jamaican economy, but has fallen in importance in the recent years. The sector continues to contribute to the country's GDP at almost 7% in 2012. The main agricultural products are sugar cane, coffee, citrus, cocoa and pimento. The country also rears chicken for local production and also for export. The Government is moving to strengthen the Agricultural sector in response to the growth of food imports. A number of agro-parks have been established where all the elements on the value chain, from fertilization to processing for example, are brought together for more efficiency and to facilitate the development of co-operative marketing and sales. An emphasis on nutraceuticals, organic farming and diversification of crops are all part of the Government's plan to improve exports.

Tourism

Tourism is the mainstay of Jamaica's economy and is one of the things for which the country is renowned. The country sees visitors from both cruise ships and long-stay visitors. The country had just fewer than 2 million visitors staying on its shores in 2012 and just over 1 million cruise ship passengers – a figure that represents a 17.55% growth over the previous year. Cruise ship passenger numbers are likely to get a boost in late 2013 with the addition of the Disney cruise lines to the others already stopping in Jamaica. The hotel industry ranges from high-end resorts to small eco-lodges that cater to the nature-lover. The country also has a rich network of attractions, historical landmarks, restaurants and spa services to bolster its tourism product and provide entertainment for both the cruise shipping passengers and long-stay tourists. Jamaica is now aggressively moving to develop health and wellness tourism as one of the areas that will provide diversification in the near term. One such project, a 200-room facility providing radiology, in-patient and out-patient surgery, standardized lab services, and rehab services, is in the initial stages of development.

Manufacturing

Manufacturing is strong and diversified in Jamaica, though not without challenges like the high cost of electricity. Despite this the industry has held its own, due in no small part to the high quality of Jamaica's products. Our main products include food and beverage brands that have now become world-renowned. Jamaica coffee products, especially those made with Blue Mountain coffee, are well-regarded and command high prices on the international market. Jamaica is also home to some of the finest rums including the Appleton Estate rums and Jamaica's Red Stripe Beer is also produced for local consumption and a strong export market. The Manufacturing sector employed 6.9 of the labour force in 2012.



Mining

Jamaica has rich deposits of bauxite and limestone among other minerals. Bauxite and alumina has traditionally been one of the country's top exports and was once a vibrant industry and is now in decline due to lack of demand on the international market. However, the Mining industry continues to contribute 2.2% to the country's GDP and there are signs of resurgence in the near horizon. There are plans to revitalize the industry by increased marketing of the diversity of the country's mineral resources.

Ports

The country has bustling sea and airport sectors that are adept at both moving passengers and vehicles and in both cases are poised for growth.

Sea - The country has nine active sea ports that handle a mix of cruise shipping and the processing of goods. These ports are due to receive a massive upgrade within the next few years. The development of a logistics hub to begin in 2014 to coincide with the expansion of the Panama Canal has been designated a national priority project by the Government of Jamaica, which has been promoting the project as a major part of Jamaica's economic growth strategy. The project is estimated to cost over US\$780 million and the World Bank has committed to assist the project.

The proposed Jamaica transshipment and logistics hub will have six separate but complementary elements that include dredging of the Kingston Harbour; expanding the port facilities at Fort Augusta and Gordon Cay; establishing a Dry Dock facility at Jackson Bay, Clarendon; establishing a transshipment commodity port facility near Yallahs, St. Thomas; developing the Caymanas Economic Zone; and developing an air cargo and passenger facility at Vernamfield, in Clarendon.

Air - The country has three international airports; one on Kingston called the Norman Manley International Airport, Sangster's International airport in Montego Bay and the Ian Fleming International Airport in St. Ann. These are supported by a number of aerodromes and small air-strips numbering 24 in all. Among the larger aerodromes are Tinson Pen in Kingston, the Negril Aerodrome and Ken Jones aerodrome in Portland. Of these, Tinson Pen is the most used and is used for local private aircraft and in-bound air transfers to the other airports within Jamaica. The military have two airstrips that are operational but by all accounts not used with regularity. The other airstrips are either privately owned or are not used with regularity.

Creative Industries

Known for its music industry and its world-class sportsmen, Jamaica is also branching out to be as omnipresent in the world of film, fashion and art.

Film- The diversity of Jamaica's landscape, its talented and experience production crews and its relative affordability as a location makes for a vibrant film industry spanning motion pictures, advertising and photography productions. Jamaica is also developing an animation industry to produce content for both local and international usage.

Music- Jamaica's music industry continues to be strong and the country maintains a steady presence on the international music industry bolstered by acts such as Grammy-winners Sean Paul, Shaggy and Damian



Marley. The country also plays host to an number of international acts who visit Jamaica to seek our producers and studios that can add an authentic Jamaican vibe to their music.

Sport- A track record of excellence in athletics has now been concretized with a domination of the international track and field. Usain Bolt, the world's fastest man, heads a list of elite athletes with Jamaican heritage. Jamaica is moving to concretize this achievement by building sports training facilities that will help to build the next generation of Jamaica's athletes as well as, being a training ground to international athletes who want to benefit from Jamaica's coaching and techniques. Jamaicans also continue to excel at cricket, soccer and netball.

Fashion- Still in its germination stages, Jamaica fashion industry is of key focus in international markets. Fashion in Jamaica is dominated by clothing designers and local models working internationally. The island's two leading model agencies each have a week of fashion events to showcase the talent of local designers and models.



Business Culture and Etiquette

Visits to the market are highly recommended. Business in Jamaica is often predicated on the strength of your relationship with the people with whom you plan to do business. For those who are planning on doing business in Jamaica, we recommend market visits to acquaint yourself with the country and the marketplace that you plan to engage. This can be done on structured visits, with support from UKTI, or by making inquiries on your own. While you are visiting the Caribbean it would be advantageous to combine that visit with a number of the other countries in the region. UKTI also has offices in Trinidad and Tobago, Cuba, Guyana and Barbados and the Eastern Caribbean.

The Government is one of Jamaica's largest procurers of goods and services. Any intention to seriously penetrate the Jamaican market should also include some consideration of doing business with the Government. Government procurement has very strict rules while the need to build relations is not as strong there is a need to ensure adherence to their procurement guidelines. We do recommend registration with the National Contract Commission for those companies who do want to be considered for Government procurement. The registration process is free –though tedious- but there are plans to make the process more user-friendly.

Jamaicans are known to speak in a frank and straightforward manner and you should be prepared to do the same. Business in Jamaica is influenced by North American culture and is likely to be very fast-paced. Be prepared with your facts and figures to be able to strike a deal quickly. The most common greeting is a handshake with direct eye contact and a smile. Persons are to be addressed by their title (Mr, Mrs or Miss) and their surname until a personal relationship is developed. Building a business relationship and trust among business partners will lead to the success of the business. Regular contact with potential and existing clients is important for business relationships.

It is recommended that meetings are scheduled in advance and they should be confirmed by telephone or email closer to the time. Meetings may be formal or informal, for example over lunch or a drink. Formal business wear, suit with tie for example, is the norm when attending business meetings. Business cards, brochures and samples are helpful to ensure that your business is remembered and you can be contacted in the future.



Section 3: Resources

Getting Here

By air

Jamaica is well served by frequent scheduled flights operated by major international airlines. British Airways and Virgin Airlines operate regular flights from London to Jamaica.

There are three international airports that offer flights from the UK– Norman Manley International situated at Palisadoes about 11 miles from central Kingston and Sangster International Airport which is situated 2 miles from Montego Bay. A third international airport, the Ian Flemming Airport, and a number of aerodromes offer a convenient way to travel intra-island.

Jamaica has good connections to and from the other Caribbean islands and the United States particularly Miami.

At the airport

The journey from Norman Manley International Airport to the business district of Kingston costs approximately US\$30.00.

Visas

British nationals require a valid passport but no visa. Visitors who intend to travel from Jamaica to other countries are advised to obtain any necessary visas before leaving Britain, otherwise delays and inconvenience may occur. This is particularly important in the case of Miami where a US visa is required even in transit.

Travel regulations are liable to change at short notice and intending visitors are advised to consult their travel agent or the Office of the Jamaican High Commission. Visitors are also advised to have at least 6 months validity on their passports.



Preparing to Export

Entering the Market

There are a number of ways to enter the market and careful consideration must be made about what model works best for you. You can choose to service your customers remotely, appoint a local agent or supplier or you may choose to set up a local subsidiary to do business in Jamaica and the Caribbean.

Joint venture partnerships and acquisition options are chosen by some foreign companies seeking to quickly acquire market share and expertise in Jamaica. However, this will vary depending on the nature of the product/service and the level of domestic competition. It is also essential to have product training for the agent's workforce, regular updates on developments, modifications and competitor activity. Regular visits to the market would be useful - this would provide the forum for successful interaction with the agent/distributor. Even with an experienced partner or agent, it is advisable that you must maintain a level of involvement to ensure a strong level of connection and goodwill among your customers.

Investing in Jamaica

Foreign investment is being encouraged by the Jamaican Government. Foreign Investment has contributed to the development, modernisation and globalisation of the Jamaican economy. There are fiscal and market incentives available for foreign investment. There are no restrictions on capital coming into the country nor are there any restraints on repatriation of profits, dividends or capital by non-residents.

Customs and Legal

It is advisable to seek legal, customs and taxation advice when you are entering the market. A list of professionals who can assist you is available from the UKTI Section in Kingston.

UKTI Support

UKTI can provide you with the information and support to help you make the right decision for your business. The UKTI team in Jamaica has a wealth of local experience and knowledge, can identify business partners and provide the support and advice most relevant to your company's specific needs in the market.

UKTI's team in Kingston can provide a range of services to British-based companies wishing to grow their business in the Jamaican market. Projects which are considered an opportunity for UK companies will be published on the UKTI Portal under the Business Opportunities section. Our services also include - providing market information, validated lists of agents/potential partners, key market players or potential customers, establishing the interest of such contacts in working with the company and arranging appointments. In addition, we can also organise events for you to meet contacts or promote a company and its products/services.

You can commission these services, some of which are chargeable, to guide and support you as you do business in Jamaica.



Trade and Umbrella Group

The following are a selection of organizations that may be useful to you as you begin to learn more about doing business in Jamaica.

The Jamaica Chamber of Commerce

The membership of the Chamber is comprised of large, medium-sized and small firms – and individuals - in virtually all productive sectors. Member firms are engaged in retailing, manufacturing, finance, law, distribution, food services, and a range of other interest areas.

Address: Suite 13-15, 12 Ocean Boulevard, Kingston

Telephone: (1876) 922-0150

Website: www.jamaicachamber.org.jm

Jampro Trade and Investment

Jampro is the Government department responsible for the promotion of Jamaica goods and service and providing solid value proposition for investors.

Address: 18 Trafalgar Road, Kingston 10

Telephone: (1876) 978 7755

Website: www.jamaicatradeandinvest.org.jm

Bureau of Standards

The Jamaican standards and technical regulatory authority is the Bureau of Standards. The Bureau of Standards is the entity that verifies compliance to labelling regulations through routine inspections, monitoring and the establishment of the Certification of Labelling Facility Programme.

Address: 6 Winchester Road, Kingston 10

Telephone: (1876) 632-4275

Website: www.bsj.org.jm

Customs Brokers and Freight Forwarders Association of Jamaica

A lobby group formed to help to develop the trade-logistics process in Jamaica for the benefit of the customs brokers and their customers.

Address: Lot#1, 14-16 First Street, Newport West, Kingston 13

Telephone: (1876) 923-4665

Website: www.cbffaj.net

Jamaica Bar Association

The association is voluntary and is comprised of Attorneys-at-Law called to the Jamaican Bar. The Association is not a regulatory or disciplinary body and has over 1,000 members.

Address: 78-80 Harbour Street, Kingston

Telephone: (1876) 967-1528

Website: www.jambar.org



Media Association of Jamaica

The overall goal of the Media Association Jamaica Limited could perhaps be summed up as seeking to strengthen the Jamaican society and democracy through the fostering of a vibrant, independent and responsible media.

Address: 21 Lyndhurst Road, Kingston 5

Telephone: (1876) 908--4955

Website: www.mediaassociationja.com

To find out more, scan this



**Solutions
for Business**

Funded by
UK Government

code with your smart phone.

www.ukti.gov.uk

UK Trade & Investment is the Government Department that helps UK-based companies succeed in the global economy. We also help overseas companies bring their high-quality investment to the UK's dynamic economy acknowledged as Europe's best place from which to succeed in global business. UK Trade & Investment offers expertise and contacts through its extensive network of specialists in the UK, and in British embassies and other diplomatic offices around the world. We provide companies with the tools they require to be competitive on the world stage.

UK Trade & Investment is responsible for the delivery of the Solutions for Business product "Helping Your Business Grow Internationally." These "solutions" are available to qualifying businesses, and cover everything from investment and grants through to specialist advice, collaborations and partnerships.

Legal disclaimer

Whereas every effort has been made to ensure that the information given in this document is accurate, neither UK Trade & Investment nor its parent Departments (the Department for Business, Innovation and Skills, and the Foreign & Commonwealth Office) accept liability for any errors, omissions or misleading statements, and no warranty is given or responsibility accepted as to the standing of any individual, firm, company or other organisation mentioned.

Copyright

© Crown Copyright 2013

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit OGL or email psi@nationalarchives.gsi.gov.uk

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at commercial.kingston@fco.gov.uk

You can download this publication from http://www.ukti.gov.uk/pt_pt/export/countries/americas/caribbean/jamaica/doingbusiness.html?null