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Export Consortia The Jamaican Experience

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Enterprises Inc.

Relaciones Intrarregionales

*Encuentro sobre Consorcios de Exportación para el Caribe
Piura y Lima, Perú
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SP/ECEC-Pymes Di N° 11-14*

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EXPORT CONSORTIA

The Jamaican Experience



Prepared by: Audrey Nelson-Salmon



Jamaica



Area:

Total: 10,991 sq km; **Land:** 10,831 sq km ; **water:** 160 sq km

Jamaica – “Out of Many One People”

Ethnic groups:

Individuals of African descent, other ethnic groups such as the Indians, the Chinese, the Germans, the Jews, and the Syrians/Lebanese

Black 92.1%, mixed 6.1%, East Indian 0.8%, other 0.4%, unspecified 0.7% (2011 est.)

Language:

English, English patois

Religion:

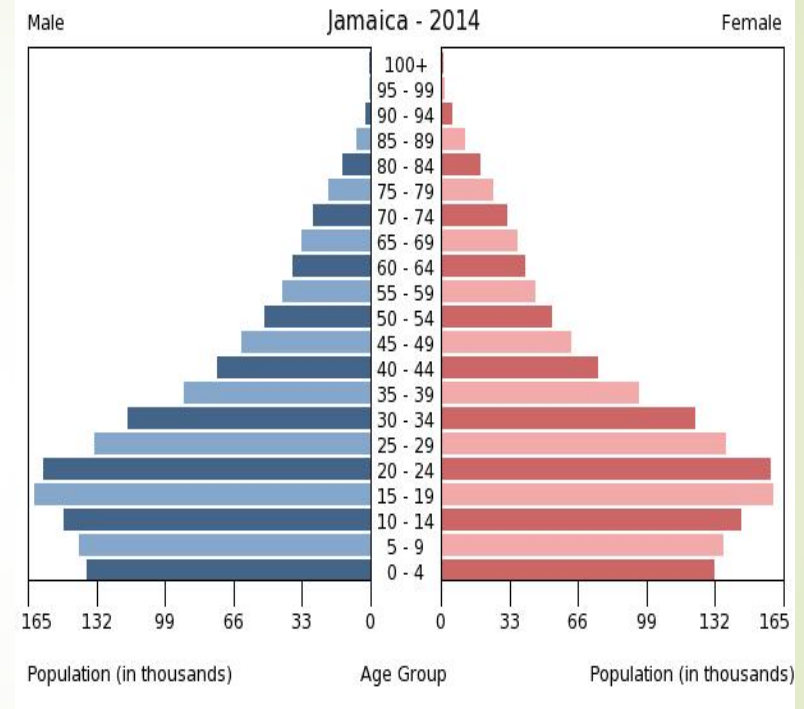
Protestant 64.8% (includes Seventh Day Adventist 12.0%, Pentecostal 11.0%, Other Church of God 9.2%, New Testament Church of God 7.2%, Baptist 6.7%, Church of God in Jamaica 4.8%, Church of God of Prophecy 4.5%, Anglican 2.8%, United Church 2.1%, Methodist 1.6%, Revived 1.4%, Brethren .9%, and Moravian .7%), **Roman Catholic 2.2%**, Jehovah's Witness 1.9%, **Rastafarian 1.1%**, other 6.5%, none 21.3%, unspecified 2.3% (2011 est.)

Population:

2,930,050 (July 2014 est.)

Age and Dependencies

- **0-14 years:** 28.4% (male 423,855/female 409,651)
- **15-24 years:** 21.7% (male 319,291/female 316,773)
- **25-54 years:** 36.4% (male 525,288/female 542,015)
- **55-64 years:** 7.8% (male 79,875/female 84,562)
- **65 years and over:** 7.7% (male 102,377/female 126,363) (2014 est.)



Total dependency ratio: 54 %

youth dependency ratio: 41.8 %

elderly dependency ratio: 12.2 %

potential support ratio: 8.2 (2013)



Background

- ▶ Private Sector Development Programme (PSDP) was a Joint initiative of the Government of Jamaica and the European Union
- ▶ The FA No. 9110/JM for Private Sector Development Programme (PSDP) - signed and entered into force on 12th March 2004.
- ▶ Objective - strengthen the private sector by enhancing the competitiveness of MSMEs, through strengthening of their support and representative organisations.
- ▶ Special efforts made to improve local enterprises access to capital for investment purposes.
- ▶ Twenty Million (€ 20 million) allocated to PSDP Cluster Sector Initiative (CSI)

Mid-term evaluation in October 2006

➤ found :

- PM was under-resourced for some time and there is an inability to recruit essential PMU staff and key experts;
- There was an inordinate emphasis on following rules and procedures to the detriment of programme objectives, notably reflected in not facilitating easier access by smaller clients to much-needed development funding;

Mid-term evaluation in October 2006

- ▶ There was limited capacity of PSOs to implement measures:
 - ▶ MoU signed on 10 December 2004 by the Planning Institute of Jamaica, PMU, Jamaica Promotions Corporation (JAMPRO), Jamaica Business Development Centre and Private Sector Organization of Jamaica as implementing PSOs.
 - ▶ Implementing PSOs undertook responsibility for co-execution of specific Programme components and achieving component targets.
 - ▶ with the exception of JAMPRO, there was no significant evidence of activities undertaken by the other PSOs;
- ▶ The programme operated from the start with limited strategic focus and planning.



Mid-term evaluation in October 2006

- ▶ The PSDP was at critical juncture in its lifespan in that any further significant delay in completing its staffing requirements will greatly inhibit delivery of services.
- ▶ Donor coordination: The PSDP has so far fallen short in establishing relevant linkages to national, regional and international programmes in the area of private sector and export development.
- ▶ Much more should be done in order to establish a closer working relationship with programmes funded by donor organizations in Jamaica, the Caribbean Region as well as at an international level.

PSDP TARGETED INDUSTRY CLUSTERS

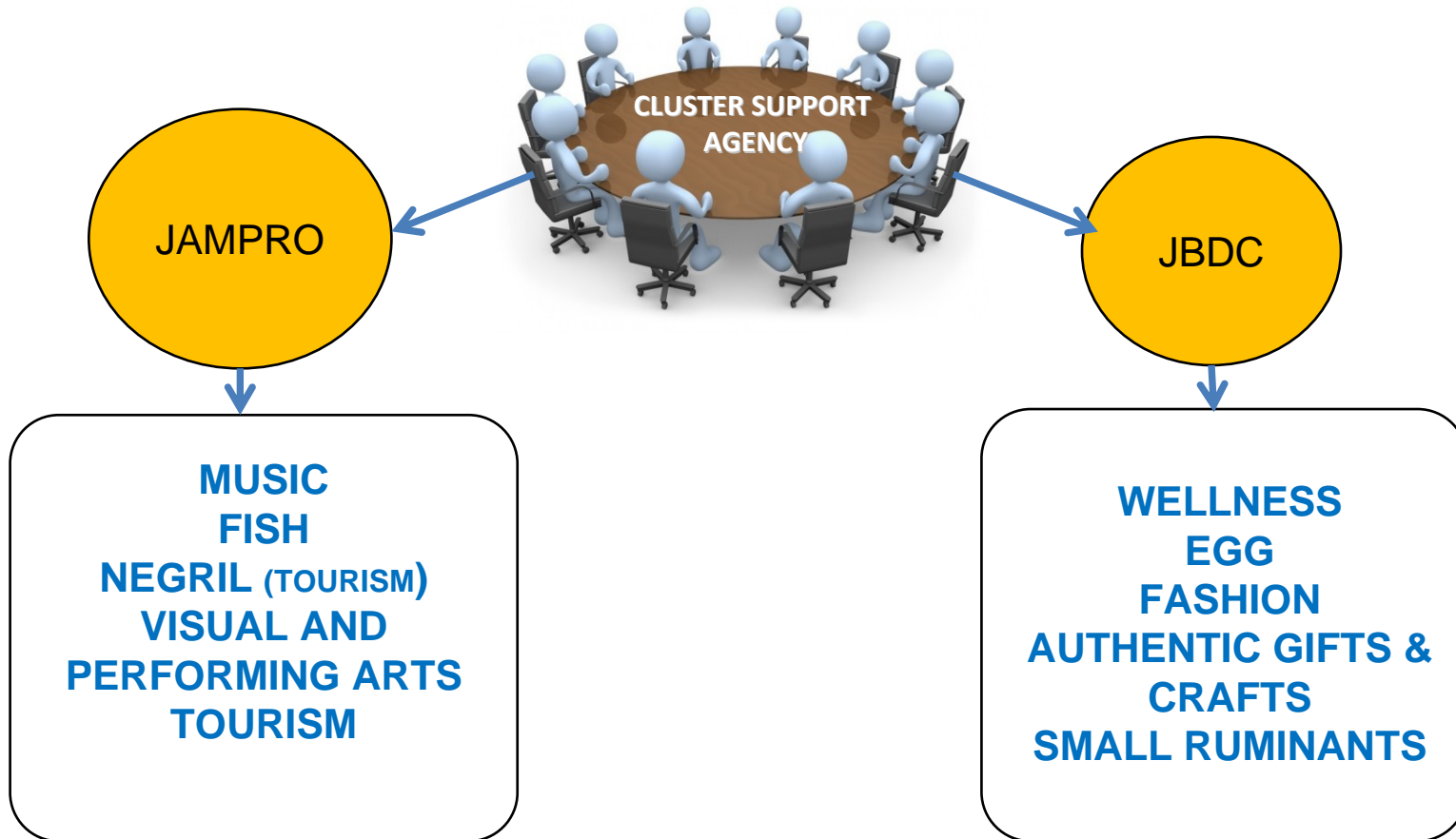


Source: *Role of government in cluster development; Experience In Supporting Cluster Implementation; Regional Forum on Cluster Development in the Caribbean; November 9, 2011*



ASSIGNED CLUSTERS BY CLUSTER SUPPORT AGENCY

PSDP BUDGET ALLOCATION PER CLUSTER = €172,000



Source: *Role of government in cluster development; Experience In Supporting Cluster Implementation*; Regional Forum on Cluster Development in the Caribbean; November 9, 2011

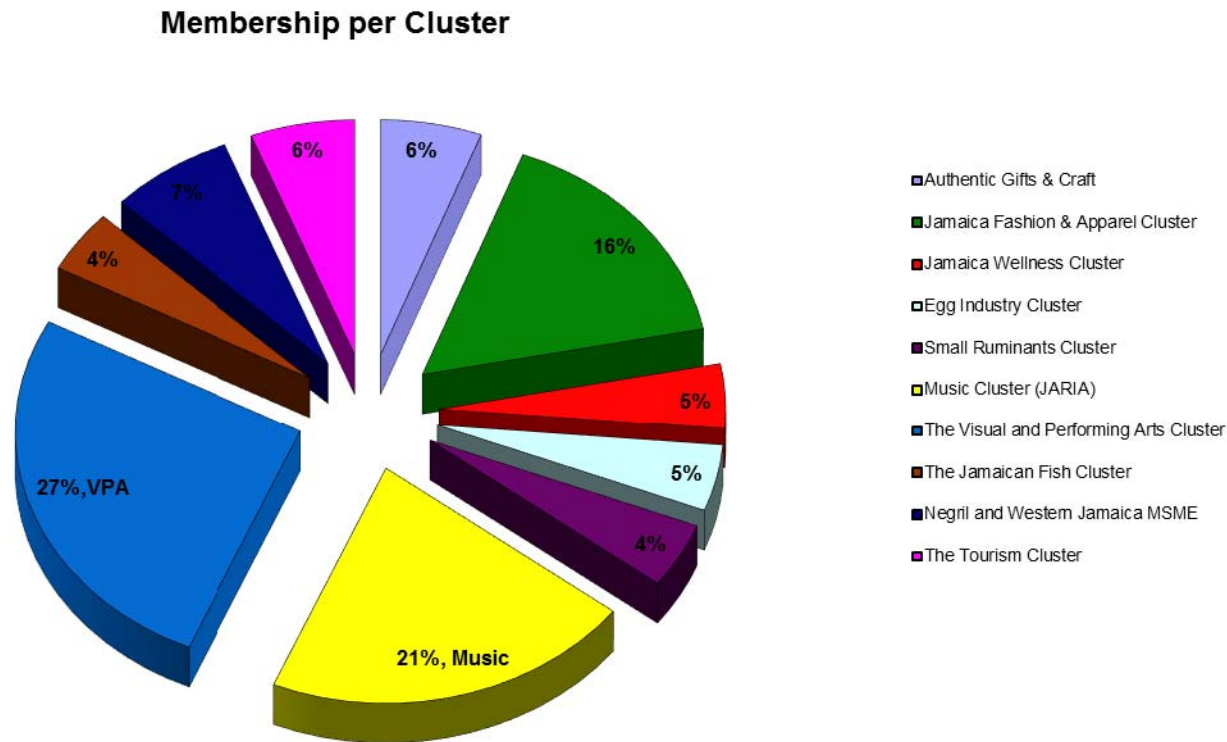


JBDC's Report

<u>Cluster</u>	<u>As at Jan-08</u>	<u>As at Dec-08</u>	<u>Percentage Increase</u>
Authentic Jamaican Gift & Craft	14	34	142.86%
Jamaica Wellness	7	32	357.14%
Egg Industry	50	52	4.00%
Small Ruminants	41	45	9.76%
Fashion	28	96	242.86%
Total	140	259	85.00%

PSDP IMPACT ON CLUSTERS SUPPORTED

- PSDP impacted a wide cross section of MSMEs and associated institutions who were members of individual clusters; Cluster membership supported by the Programme was in excess of 1100.



Source: *Role of government in cluster development; Experience In Supporting Cluster Implementation; Regional Forum on Cluster Development in the Caribbean; November 9, 2011*

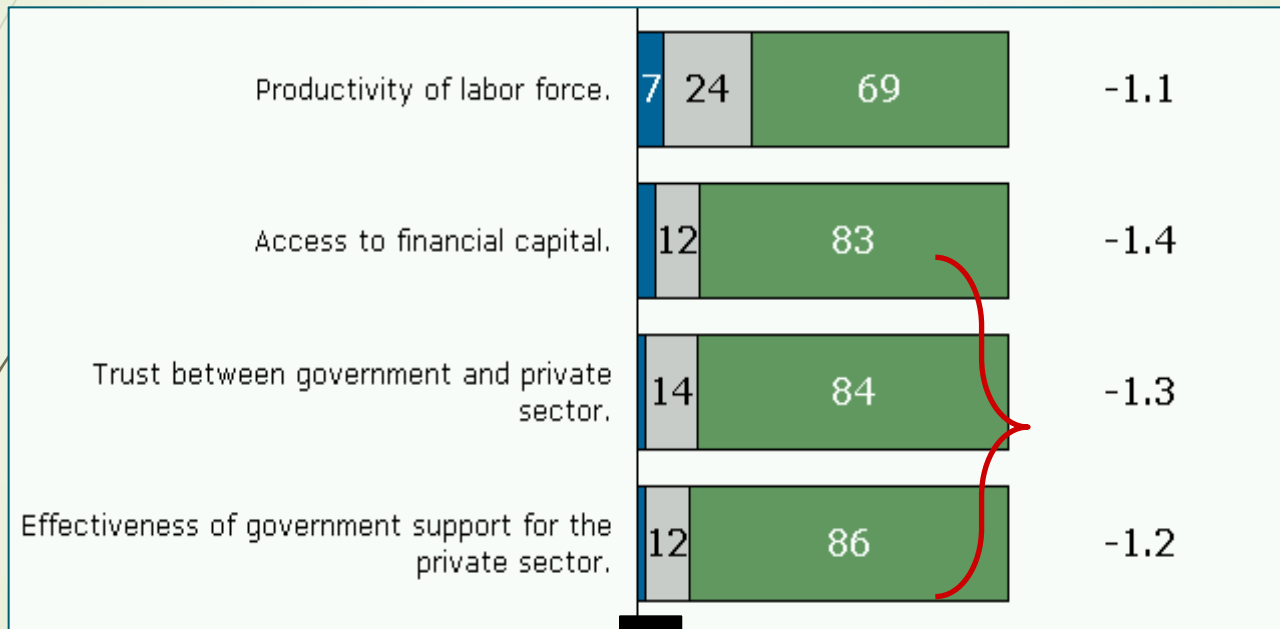


Survey Results : What Were People Thinking?

Mental Models

Rate Jamaica's current levels of each source of prosperity ranging from "among the best in the world" to "among the worst in the world"

■ Amongst the best in the world (1 to 3)
 ■ Average (0)
 ■ Amongst the worst in the world (-3 to -1)



Respondents considered the overall business environment in Jamaica to be extremely challenging. Government support for the private sector and the level of trust between the two was considered to be amongst the worst in the world.

SOURCE: *Regional Forum on Cluster Development in the Caribbean: Opportunities for Business*; Cluster Development in Agribusiness & Tourism in Jamaica; Beverley Morgan; The Competitiveness Company; November, 2011



Things Jamaica

- ▶ Founded in 2001
- ▶ Support over 400 small business producers / manufacturers
- ▶ A retail arm of JBDC
- ▶ Have outlets in all international Airports and gifts shops
- ▶ “Kumba Mi Yabba” event every December before Christmas



Export Consortia in Jamaica

- ▶ Operate through

- ▶ **Things Jamaica Limited**

- ▶ for Example, The Authentic Jamaican Gift & Craft Cluster = *Design Caribbean*

- ▶ Found at :

- <http://www.designcaribbean.com/exhibitors/the-authentic-jamaican-gift-craft-cluster>

- ▶ Website Listed as:

- www.thingsjamaicanstores.com/

- ▶ Wide range Jamaican-made products sold

- ▶ Products to taste, smell, hear, and see.

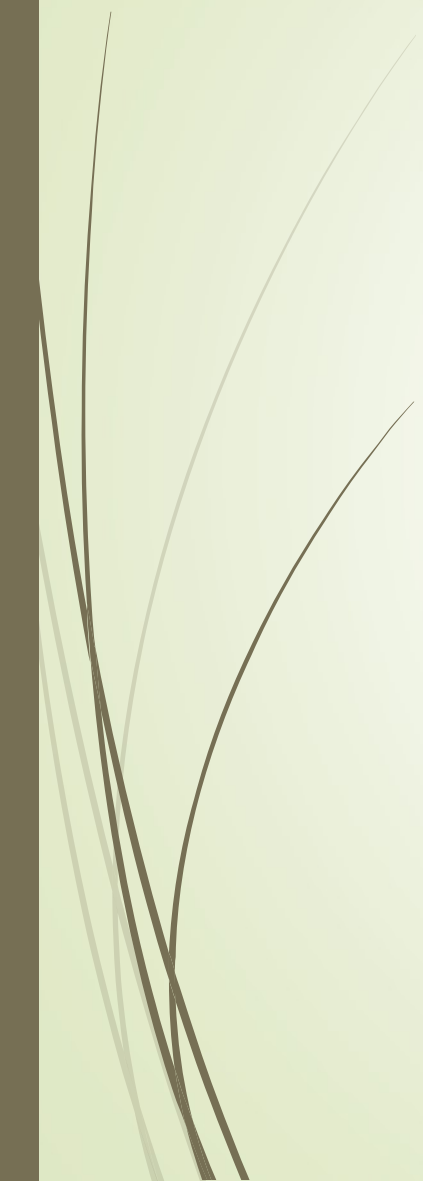


Jamaica's Support Organisations

- ▶ Small Business Association of Jamaica (SBAJ) (CASME member)
- ▶ Jamaica Export Association (JEA)
- ▶ Jamaica Manufacturers Association (JMA)
- ▶ Jamaica Promotions (JAMPRO)
- ▶ Jamaica Business Development Organisation (JBDC)



CLUSTER CHALLENGES

- Some have become dormant due lack of support
 - Members do not see benefit and do not pay dues
 - Technical support does not match need
 - Marketing and sales low
 - Lack of trust amongst the members
- 

Jamaica Agro Processors Association (JAPA)

- Organisation of Focus
 - Founded in 1999 from a group of canned ackee producers
 - Registered 2003
 - Members 18 Agro processors across the island
 - 9 Associate members which include the Jamaica Bureau of standards (JBoS), Scientific Resource Centre, and Jamaica Export Association
 - Export is currently fragmented (done individually by members).



Some Challenges Faced by Members

1. Lack of financial support
2. Lack of trust amongst the members
3. Marketing and sales of products





Time is “ripe” for “True” Consortia

- ▶ Jamaicans are a “reactive” people
- ▶ Jamaicans have an entrepreneurship nature
- ▶ Due to economic need, members are now forced to work together
- ▶ The time to change the Jamaican mind set is now!



Consortium - Products Focus

- Agro processors – Jerk Sauces, seasonings, and jams
- “Jerk” a special type of seasoning originating in Jamaica from the preparation of meat (especially pork and chicken)
- Jerk has flexibility - can be added to jams and sauces
- There is great demand for the product amongst the diaspora
- Tourist have shown great demand for the products



Sources of Information

- <https://www.cia.gov/library/publications/the-world-factbook/geos/jm.html>
- http://ec.europa.eu/development/icenter/repository/jar06_jm_en.pdf
- <http://www.slideshare.net/lokjackgsb/cluster-development-in-the-caribbean-agribusiness-tourism-in-jamaica>



The end