



Ministry of Industry, Commerce, Agriculture and Fisheries

CLOSING PRESENTATION - SECTORAL DEBATE 2018

By the Honourable Audley Shaw, CD, MP

**MINISTER OF INDUSTRY, COMMERCE AGRICULTURE AND FISHERIES
HOUSES OF PARLIAMENT
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Theme: Enabling Growth, Improving Lives

Introductory Remarks

Mr. Speaker, my task and my honour, today, is to close the Sectoral Debate for Fiscal Year 2018-2019.

I think we will agree that the presentations and the discussions have been robust and that our democracy is alive and well.

Mr. Speaker, on behalf of the Government, I wish to thank all our parliamentary colleagues for their contributions to this year's debate.

In closing the debate, it is important that we recall and highlight some of the critical issues that were raised.

International Developments

Mr. Speaker it is important to note that while we addressed the state of our nation here in Jamaica, we also experienced the changing world environment

as adjustments to the trade relations between members of the Group of 7 industrialised nations were initiated.

We note also the burgeoning shifts in geopolitical relations especially with focus on the Korean Peninsula and continue to monitor the implications for trade and the global community.

Indeed, Mr. Speaker, we also note the honour paid to Jamaica through our Prime Minister who was invited as a special guest to the G 7 Summit in Canada last month and the invitation he has also received to represent CARICOM at the upcoming G20 Summit.

Nearer home, Jamaica is pleased to have hosted the 39th CARICOM Heads of Government Conference here in Montego Bay last week with our most Hon. Prime Minister resuming chairmanship of CARICOM at the same time. We congratulate him in this regard.

Of note, Mr. Speaker, are the measures posited by the Heads of Government of the region to fast-track the full implementation of the CARICOM Single Market and Economy (CSME)

These measures, including, the special meeting of CARICOM Heads to focus solely on the CSME and which is to be convened in Trinidad and Tobago in November this year as well as the quarterly meetings of the Prime Ministerial Sub-Committee on the CSME to give urgency to the implementation process, slated to begin in September in Barbados, among others will undoubtedly lead to the strengthening of our regional partnerships, strategic frameworks

and the utilization of the potential of the CARICOM Market as collectively, we move toward advancing the region.

Mr. Speaker, having regard to this level of engagement by the Prime Minister, and his visionary initiative to seek to jump start the stalled regional integration process, I think this can hardly be characterized as "*a doctrine of doing nothing*" as posited by the Opposition Spokesperson on Foreign Affairs and Foreign Trade.

Mr Speaker, other issues that need to be pursued as recommended by the Golding Commission Report is the need to have a final determination as to whether domestic subsidies provided by a member of state relating to the supply of energy are in violation of the CARICOM treaty.

Mr. Speaker, fair trade is a critical issue. As we move toward securing greater prosperity for our people, the creation of employment opportunities and the increased production of goods and services in all sectors of the economy, we must focus on increased import substitution and export earnings.

The Growth Agenda

Mr. Speaker, it is not by chance that most, if not all, of the presentations in this Sectoral Debate have recognized and addressed the criticality of Jamaica's commitment to the furtherance of the growth agenda and our national vision for a better country.

Having achieved the mandate of putting the economy on the right track, we recognise that we must now grow the economy through production. This,

Mr. Speaker, is the greatest imperative now facing Jamaica. And as we grow the economy we appreciate that we must also pay the requisite attention to the social issues relating to health, education, social security as well as national security and justice.

Mr. Speaker, our job as policymakers is not an easy one, but one that demands that through our policies and laws we enable growth and development to improve people's lives and help them to achieve prosperity!

Industry, Commerce, Agriculture and Fisheries Portfolio

Mr. Speaker, before I treat with the major issues raised by various speakers in the Sectoral Debate, I am sure you will forgive me, if I begin with treating first of all with the portfolio areas under my responsibility.

Mr. Speaker, in my own presentation, I laid out an entire strategy to reengage our vast acreages of lands, formerly in sugar, now lying idle.

Mr. Speaker, since that presentation I have now received a report that shows that some 16,617.87 hectares are now being returned to the Government by Pan Caribbean Sugar Company. Of this, 8,283 hectares are now in active sugarcane production, which makes potentially 8,359 hectares available for other agricultural activities, including 4,313 which are marginal and in need of rehabilitation.

Mr. Speaker, already the SCJ Holdings is processing several requests for land by interested investors. In all of this, we will give preference to investments embracing the mother farm/satellite farm concept, and our preferred mode of investment is lease hold rather than sale.

Mr. Speaker, under my watch, every square inch of these lands must be productively engaged.

Cannabis

Mr. Speaker, one of the crops, indeed one of industries that we are focused on is the cannabis industry. Mr. Speaker, setting up the Cannabis Licensing Authority was necessary but not sufficient. Given the extraordinary size of this industry and its amazing pace of growth worldwide, we, frankly, need an all-of-government approach to set the framework to get this industry going. We are not short of people who want to invest. What we have not done, however, is to establish a clear regulatory framework to facilitate these investments. In this regard, I have been working with my colleague minister of health, in whose ministry a Medicinal Cannabis Unit has now been established.

Together we have also established a working group to map the entire process and clarify regulatory responsibilities and fix all the issues of overlapping jurisdiction. We expect to get an action plan by the end of this month. At the same time, we have to apply some of these idle lands to this industry.

Sugar

Mr. Speaker, there is no going around it – sugar will not engage the kind of acreages it did in the past. Even utilizing the full capacity of the Monymusk

factory, we would only need about 7,000 hectares. The sugar industry is at a crossroads. Pan Caribbean has given notice that it will not operate Monymusk next year. We in the Government are acutely aware of the huge investments made by cane farmers in this industry. Since the establishment of the Cane Expansion Fund Unit in December 2014, approximately \$519 million has been approved for on-lending to farmers in the Monymusk factory area. Of this amount \$493 million has been disbursed to 93 farmers for cultivation of 404.96 hectares.

Mr. Speaker, there is no way that this Government could sit idly by and allow this investment to be squandered with the closure of the factory. We are therefore working with Pan Caribbean to facilitate joint ventures with new investors or an outright sale of the factory. We are aware that these initiatives might not materialize for the next crop, therefore, the Government will put in place measures to ensure that the cane grown in that area are processed by Appleton or Worthy Park, or both estates, which, in each case, has excess capacity.

Cane farmers can therefore employ the necessary agronomic measures to secure the crop for next year.

At the same time, there is an inventory of some 30,000 tonnes of locally produced brown sugar that is not being absorbed by the local market. This is a development of recent vintage and points to the possible undermining of local brown sugar sales by duty free imported refined sugar. I know that this issue evokes considerable emotion, but I am determined to fix the regime for the importation of refined sugar, so that locally produced sugar is not undermined. In this regard, I am in constructive consultation with the JMEA.

Tree Planting Programme

Mr. Speaker, I also announced my intention to establish a 5 million tree planting project. I have since met with the FAO Director General at the 159th Session of the FAO Council in Rome, and he has committed the support of the FAO to assist Jamaica in applying for a grant from the Green Climate Fund to finance a reforestation programme in Jamaica as well as an irrigation expansion programme, as critical components of our climate change adaptation strategy. I am pleased to announce that only last week the consultants from the FAO were here to commence the preparation of that project. Similarly, as I announced, another set of FAO consultants have started working on the 10-Year Agricultural Plan for Jamaica.

The Blue Economy

Mr. Speaker, we remain determined to exploit our endowment in the seas for the prosperity of this nation.

Jamaica, like many developing countries, must look beyond our shores in order to leverage the vast potential for economic growth and sustainable development. Now is the time to act in order to position ourselves properly to realize the benefits for sustainable development from the coming blue revolution. In this regard, I am happy that this House has since advanced the debate on the Fisheries Bill which is the key framework for unlocking the full potential of the Blue Economy.

Jamaica Agricultural Commodities Regulatory Authority (JACRA)

Mr. Speaker, I note, with interest, comments on the Jamaica Agricultural Commodities Regulatory Authority (JACRA) by the Opposition Spokesman on Agriculture.

Mr. Speaker, it bears repeating that JACRA as a concept was born with the JLP Administration of 2007 – 2011, and has had the support of every administration since then. The intent of the legislation is to remove the Government from the commercial aspects of the coffee, cocoa, coconut and spices industries, and to set up a regulatory regime conducive to the rapid development of these crops, which still have enormous potential. While we concede that the legislation is not perfect, we have to hold firm to those provisions that seek to protect local production.

It is inexplicable, for instance, that high mountain coffee production is only 5% of what it was 20 years ago, while we continue to import staggering volumes of coffee.

In response to our stakeholders, I have ordered a comprehensive review of the legislation. The review has been completed and I will have that report by the end of the week and thereafter, I shall report to the nation what aspects of the JACRA legislation will be altered.

Linkages to Tourism

I further note the Opposition Spokesman's reference to the linkages between agriculture and tourism. The imperative for this linkage is impatient of debate. I have personally thrown myself into this endeavour and have already met with the Minister of Tourism and the Linkages Council. One of the ways of strengthening this linkage is the very mother farm-satellite concept I spoke of earlier. However, Mr. Speaker, we might have to consider tying the incentives received by the hotel sector to their willingness to engage local players.

Mr. Speaker, we remain bullish about the agriculture sector and its potential to drive economic growth and job creation in this country.

In the first quarter the sector grew by 0.5% driven by a 2.1% increase in the domestic food crop subsector. I am advised that the preliminary estimate for growth in the domestic food crop subsector for the second quarter is over 5%.

MSME Sector

Mr. Speaker, we continue to recognize the critical and strategic role of the MSME sector in growth and development. We further recognize that this sector needs all the support from government in order to realize its potential. It is within this context that I am proud to table in this honourable House today, ***The Updated MSME and Entrepreneurship Policy and Implementation Plan.***

In furtherance of this, I have charged my team to accelerate all the initiatives dealing with the use of unclaimed funds in banks to fund MSMEs, as well as, the expansion of JBDC's network through the Small Business Development Centre Model.

The manufacturing strategy that I spoke to has now been completed and I will be taking same to Cabinet within this month.

I have also re-engaged the manufacturing sector and we are actively pursuing the provision of factory space in Kingston with the Factories Corporation of Jamaica. In this regard, I have engaged the Prime Minister in relation to handing over the AMC Complex to the FCJ with a view to rehabilitating that facility for the use of small exporters and processors.

Mr. Speaker, the Opposition Spokesman on Industry and Commerce, spoke to the need to have "broader, more inclusive growth with jobs" take place.

I fully agree with him and that is why, I speak to engaging our idle lands; that is why we are supporting MSMEs; that is why we are tying small farmers to larger mother farms; that is why since this debate opened, we have tabled the regulations that make special and deferential treatment to our MSMEs in respect of government procurement. All of this will ensure that the growth is inclusive and the small man is not left behind.

Major Developments and Issues Raised in the Debate

Mr. Speaker, let me now turn my attention to the major programmes of the government as announced by my colleague ministers in this debate. All in all, the whole of government is orientated to the imperative of economic growth and job creation, creating a safe environment for our citizens and ensuring that our human capital is developed and our people are healthy.

Labour and Social Security

In that regard, Mr. Speaker, we note and highlight the announcements by the Minister of Labour and Social Security regarding the welcome increase in the National Minimum Wage. The 13 percent increase in the Minimum Wage, the \$8.4 Billion allocation for the PATH Programme and the prioritization of the Occupational Safety and Health Act are all among the steps being taken to improve the lives of workers and vulnerable families, even as we seek to improve the social and economic conditions of our Jamaican workers and their families through job creation initiatives.

Education

Mr. Speaker, it goes without saying that an educated and well trained workforce is critical to the growth and advancement of our society. Our people, and especially our young people, must be equipped with the requisite skills, not only to gain employment in the various economic

sectors, but also to be creators of job opportunities for themselves and for others through entrepreneurial initiatives and enterprise.

Mr. Speaker, we note and welcome the decline in the unemployment rate, which now stands at a record low of 9.6 per cent.

We continue, however, to be concerned about the approximately 24 % youth unemployment rate and are mindful that this poses a contributory threat to social stability and the reduction of criminal activity.

Against that background, we note the plans and programmes of the Ministry of Education, Youth and Information to equip our children and young people to achieve the Jamaican Dream for social mobility and personal and economic independence, through self-actualisation.

Mr. Speaker, we note in summary, the emphasis being placed, *inter alia*, on:

- Improving Early Childhood Education
- Enhancing Special Education Programmes
- Introducing the PEP Programme and
- Unleashing the new HEART TRUST NTA.

Mr. Speaker, the merger of the HEART Trust/NTA with the National Youth Service, the Apprenticeship Board and the Jamaican Foundation for Lifelong Learning is designed and destined to achieve youth engagement and empowerment, workforce training and certification, adult literacy and numeracy, and for fulfilling careers and national service.

This merger is facilitating a broad range of opportunities for the development of Jamaica's human capital by providing training to meet labour market demand.

This, Mr. Speaker, is a necessary step towards enabling our human resources to participate in wealth creation; this is what we mean by *Enabling Growth to Improve Lives*.

Mr. Speaker, the HOPE Programme is intended to address productively engaging our unattached youth who may not yet have achieved the matriculation requirements for the formal education system. We are ensuring, through this programme, that no one is left behind.

Health

Mr. Speaker, a popular song by a prominent recording artiste reminds us that a fit we haffi fit... And indeed our vision for Jamaica is that we have a healthy and stable population, as enunciated in Vision 2030.

As Government continues to acknowledge the longstanding weaknesses in, and address the upgrading of physical infrastructure in our health care services, we wish also to reinforce the paradigm shift being led by the Ministry of Health to address health care.

In this regard, greater emphasis is being placed on prevention, with the promotion of healthy lifestyles to redress the challenges of obesity and Non-Communicable Diseases and I wish, Mr. Speaker, to use the privilege of this closing address today to endorse and encourage you, my colleagues in this Honourable House, and indeed the rest of Jamaica to embrace the positive messages being disseminated through the Jamaica Moves campaign.

And, Mr. Speaker, as Minister with responsibility for Industry, Commerce, Agriculture and Fisheries, I wish also to say to my colleague Minister that my Ministry stands ready to strengthen the necessary collaborative links

between our Ministries in furthering our goals for food and nutrition and food safety.

National Security and Justice

We note the capacity building undertakings of the Ministry of Justice to enhance and modernize both its physical and human resources in order to maximize the administration of justice, balance the rights and responsibilities of the citizenry and to accelerate Government's legislative agenda to facilitate the primary role of creating the enabling policy, legislative, institutional and regulatory environment to facilitate investment, growth and sustainable development.

Mr. Speaker, another of our popular entertainers reminds us that equal rights and justice require peace. The lack of peace in our nation, manifested through intolerable rates of crime and violence, are the most acute binding constraints to the growth and development of Jamaica.

No effort can be spared to defeat the monster named crime. This Administration recognizes that and so a multi-pronged approach is being implemented to restore public order and safety and secure the nation.

The Honourable Minister of National Security, in his Sectoral Debate presentation on June 12, outlined a comprehensive approach to national security, which is focused on public order and law enforcement; strong anti-gang strategies; anti-corruption measures; targeted social-intervention initiatives in volatile communities; and transformation of the police force into a modern service.

THE Enabling Environment

Mr. Speaker, as we continue to chart the way forward for growth and development, I wish to reiterate Government's primary role which is to create the enabling policy, legislative, institutional and regulatory environment

In addition, Mr. Speaker, Government must provide the public goods, necessary to facilitate the required growth.

In this context, infrastructure development, climate adaptation strategies, adequate energy policy and solutions as well as the application of science and technology are critical issues.

And so we note that it is Prime Minister Holness, himself, Mr. Speaker, who has recently highlighted the country's plan of action in updating and modernizing its physical infrastructure. This is particularly evidenced in the several road improvement projects now under way.

Billions of dollars of road infrastructure works are now in train, Mr. Speaker, through the Major Infrastructure Development Programme valued at US\$352.941 million.

The road improvement projects also extend, I am happy to note, Mr. Speaker, to our farm roads where a whopping \$800 million has been allocated for improvement projects in our 2018/19 Budget.

Some US\$200 million is being invested in renewable energy programmes as the country stays on course to achieving 30 per cent of its energy consumption from renewables by 2030.

The New Building Code

Of extreme significance, Mr. Speaker, is our resolve to speedily enact a new building code aimed at reducing the vulnerability of the country's built environment and protect lives and livelihoods

Enacting the new building code is imperative to ensure public safety and welfare, minimise damage caused by natural and man-made hazards, as well as to prevent squatter settlements and promote sustainable development.

THE Productive Sector

Mr. Speaker, as I indicated earlier, the country has achieved an unprecedented level of decline in its unemployment rate. What that means, conversely, is that the employment rate has increased and this as a consequence of the provision of jobs through investment and development in business process outsourcing, tourism and hospitality, services generally, mining, and construction and civil development.

Sustainable growth, job and wealth creation must, however, Mr. Speaker, be rooted and grounded in the productive sectors of the economy - in agriculture, manufacturing and industry and in the distributive trade.

Mr. Speaker, there is almost, what I would call an umbilical correlation between agricultural growth and growth in the general economy and so, if we are really going to make Jamaica move; if we are going to energise the anaemic growth we have been experiencing over the last couple of decades we have to put the productive sector on a more sustainable footing.

Partnerships and Investments

Indeed Mr. Speaker, the collaboration between the public and private sectors, including the MSME sector, falls within the recognized paradigm of using the strength of strategic linkages and partnerships to generate growth.

If we are to achieve robust growth then we must continue to nurture and bolster these inter-sectoral linkages that facilitate the joining of productive forces and foster growth.

From the policy perspective, Government must remain committed to every effort to ensure business facilitation processes that are standards driven and that increase the ease of doing business.

Let's make it work!

Mr. Speaker, the Prime Minister, in his wisdom, has placed in the Ministry of Industry, Commerce, Agriculture and Fisheries portfolio responsibility for The National Irrigation Commission, the EXIM Bank and JAMPRO.

What this means, Mr. Speaker is that we have all, together in one Ministry, responsibility for primary produce, industrial and commercial production, irrigation, investment, marketing and financing for export and import. We have all the right ingredients and our challenge is to make it work!

We understand that the best way to do this is through the work of our micro, small and medium enterprises.

We understand that the best way to achieve growth is through the value chain approach to production, beginning with the work of our farmers, small and large, who are committed to providing the produce for local consumption, for export and for use as raw material in the expansion of manufacturing.

We have heard the clarion call throughout the various presentations in this Sectoral Debate for inclusive and sustainable growth.

A vertically integrated manufacturing sector that stretches backwards into agriculture and forward into the domestic market through the distributive trade and into exports through the tourism sector and external trade is the engine of that growth and so as Government and as policy makers, we will continue to be the enablers and the facilitators of our shared vision and mission to make Jamaica increase in beauty, in fellowship and in prosperity.

We can make it work! Let's come together and make it work!