

## INSIDER VIEW

## Colombia &amp; Jamaica

MONDAY, JULY 1, 2002

## COLOMBIA A firm pledge for prosperity

**DRUGS AND REBEL WARFARE** HAVE IN THE PAST DETERRED INVESTORS AND VISITORS FROM COLOMBIA. HOWEVER, WITH STRONG PROGRESS ALREADY BEING MADE IN THE ERADICATION

OF THE ILLEGAL DRUG TRADE, NEWLY ELECTED LEADER ALVARO URIBE IS BENT ON PUTTING AN END TO THE FOUR-DECADES-OLD REBEL INSURGENCY AS WELL. IT IS ONLY A MATTER OF TIME

IN 2000, Colombian President Andrés Pastrana unveiled a multi-million dollar, three-year plan to address the country's urgent social and economic difficulties. Colombia provided \$4 billion of the total \$7.5 billion required for its funding, while the rest was divided between the U.S. (\$1.3 billion) and other international sources. Plan Colombia, discussed at length in part one of this report (New York Times, September 28, 2001), was based on

In 2000 the U.S. imported more than \$6.6 billion of Colombian products

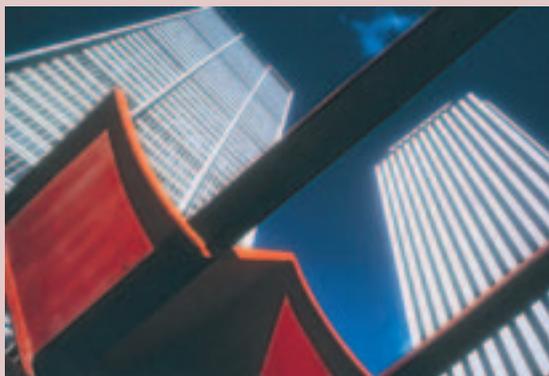
the central premise that the country's 38-year rebel insurgency must end before progress on any other social front could be made.

Recent escalations in violence have made the need to bring Colombia's rebel situation under control all the more urgent. This is the challenge facing Alvaro Uribe, who won an unprecedented landslide victory in the elections on May 26 this year. Due to succeed incumbent President Pastrana in August 2002, Mr. Uribe has made a

pledge to provide Colombians with democratic security. To do this, building on the strong relations with Washington established by President Pastrana before him, Mr. Uribe is appealing to the U.S. to help fight Colombia's war on terror.

The U.S. is already making a contribution to Colombia's fight against drugs through the Andean Trade Preferences Act (ATPA), which was approved by U.S. congress in 1991 as partial compensation for the costs of conducting counter-drug strategies, and allowed duty-free access to the U.S. market for specified Andean products. ATPA has helped create over 140,000 jobs in the region and contributed \$1.7 billion in new exports. However, the act expired in December 2001, and at the time of writing still has not been renewed. Many see the bill's renewal as critical for jumpstarting Andean countries' economies.

Despite setbacks, Colombia remains determined to return to the



**LOOKING AHEAD** the new administration will focus on long-term prosperity.

task at hand, the creation of a stable economy. Largely thanks to ATPA, over the last 10 years Colombia has consistently ranked among the top 25 largest markets for U.S. exports. In 2000, the U.S. exported roughly \$4.3 billion of goods and services to Colombia, and imported more than \$6.6 billion of Colombian products. However, in line with globalization, Colombia has also recognized the need to di-

versify its investment and export portfolios. This has been achieved through the 1999-2009 Exporting Strategic Plan which aims to in-



**MARTHA LUCÍA RAMÍREZ DE RINCÓN**  
Former Minister of Foreign Trade

crease export competitiveness by modernizing domestic companies and encouraging technological investment. While the U.S. represented 41% of the country's FDI in 1995, this shrank to 21% in 1999 and in the same period investment from Central America and the Caribbean rose from 26% to 41%.

Former Minister of Foreign Trade Martha Lucía Ramírez de Rincón says, "Colombia's economic viability lies in converting itself into a successful export country, and not only in the export of commodities and basic products." In 2001, basic products and commodities made up 50% of exports. The Plan aims to reduce this percentage to 25% by 2009, with the remaining 75% to be made up of industrial products. "Hence we are orienting ourselves towards a lasting, long-term international export focus that will ensure that within 10 years Colombia will be known worldwide for the quality of its products, the strength of its brands, and the global focus of its companies," Ms. Ramírez asserts.

## JAMAICA The island paradise awakens

**AFTER A DECADE IN POWER, PRIME MINISTER PATTERSON HAS SUCCESSFULLY TACKLED JAMAICA'S HIGH INFLATION WITH TIGHT MONETARY AND FISCAL POLI-**

**CIES. WITH STEADY GROWTH FORECAST FOR THE NEXT FIVE YEARS, THE GOVERNMENT IS NOW FOCUSING ON ONE OF JAMAICA'S BEST ASSETS: ITS PEOPLE**



JAMAICA TOURIST BOARD

**LOCAL COLOR** Prime Minister Patterson is looking to develop human resources in the following years to achieve sustained, substantial growth.

CELEBRATING its 40th anniversary this year as one of the oldest democracies in the hemisphere, Jamaica has struggled to find its bearing and define itself as an independent nation. Its fierce and colorful individualism has set it apart from other Caribbean countries but has also led the country down a winding road in recent history. Jamaicans are hoping this road has now come to an end. Although the political situation in Jamaica is stable—the incumbent People's National Party government of Prime Minister P.J. Patterson has held power for over a decade now—the country's economy was plagued with troubles throughout the 1990s, hampered by the financial sec-



**THE RT. HON. P.J. PATTERSON**  
Prime Minister of Jamaica

tor crisis of 1995, as well as the painful vulnerability of the domestic sector as the government made bold liberalization moves to revive the economy and jumpstart Jamaica's future.

Now the dust seems to have settled. Although the economic benefits of government initiatives since 1995 are still lagging, financial sector reform has been completed and the new economic infrastructures are in place. Prime Minister Patterson com-

ments, "Our main aim has been to build a modern and competitive economy in an era of globalization, with an emphasis on technology. To this end, we have removed all the structural impediments to the free flow of goods, services, capital and ideas. We have developed a proper institutional regulatory framework that will ensure competition and the enforcement of property rights, as well as making the rules of the market economy clear to all. I think that it is fair to say that the process of restructuring and reform has now been completed."

He continues, "throughout this period, economic growth has been sporadic but the major cause of this was the problems that we had with the financial sector. Those problems

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## Colombia

## COLOMBIA

"This is just the beginning"

**DESPITE THE DOWNTURN IN U.S. INVESTMENT, AMERICAN FIRMS ESTABLISHED IN COLOMBIA FOR MANY YEARS ARE ENJOYING GREAT SUCCESS**

VISA HAS A long-established presence in Colombia, pinpointing its beginnings in the Credibanco card during the 1970s, originally issued by Bank of Bogotá in conjunction with Bank of America. Since then, the company has undergone various modifications, starting with the granting of Visa International rights in 1979 and the subsequent creation of the Credibanco Visa. Also created in 1979 was Visa Colombia, a non-profit service designed for Colombians traveling abroad.

Today, Credibanco Visa is the credit card system most widely used throughout the country, claiming over 50% of the credit card market and over 40% of the debit card market. And, according to Visa Colombia President, Orlando García Torres, this is just the beginning. He explains, "The truth is that it is all still ahead of us. Colombia's bank card industry is involved in less than 5% of the total of family purchases; if one considers the target market to be family spending, we still have a 95% share to penetrate. This isn't an oc-



**ORLANDO GARCÍA TORRES**  
President of  
Visa Colombia

currence particular to Colombia, however. You can find the same type of statistics in countries which are considered to be more mature, such as the United States where the same indicators barely exceed 10%. So, in this sense, there is still much to do."

As for the company's medium-term plans, Mr. García highlights microcircuit development, as well as an increased e-commerce presence.

"There are two central themes which will occupy a good part of the company's resources and knowledge during the next five years: the switch from the magnetic band to the microcircuit and participation in the electronic commerce business," he relates.

"The microcircuit will be able to fulfill all the functions of the magnetic band, while adding additional features thanks to its higher processing capacity."

As far as the Internet goes, Mr. García is of the opinion that "a name that inspires trust is essential, especially in the type of operation where many of the participants are anonymous. Consequently, Visa's goal is to improve on its position as an acceptable name in the Internet world."

Mr. García is optimistic about Colombia's political and economic future and encourages investors to think over the long-term. On top of government efforts to propel the country forward, Mr. García also expects to see a significant contribution coming from the private sector. He states,

"The situation in the country is complicated, but however complicated it may be, we will rise above it. On the other hand, share prices are very low right now as a result of the current situation and the opportunities to acquire them at excellent prices are especially attractive."

"The situation in the country is complicated, but however complicated it may be, we will rise above it. On the other hand, share prices are very low right now as a result of the current situation and the opportunities to acquire them at excellent prices are especially attractive."

Credibanco  
Visa is the credit  
card system most  
widely used  
throughout  
Colombia

## Industry driven by strong links with U.S. brands

**COLOMBIA IS RENOWNED FOR THE QUALITY OF ITS TEXTILES. AMONG THE STRONG COMPANIES IN THE SECTOR, TWO HAVE**

**FORGED STRONG ALLIANCES WITH U.S. BRANDS TO GATHER THEIR VIEWS ON ATPA EXPANSION AND RENEWAL**

TEXTILES AND apparel are two of Colombia's main industries and contribute significantly not only to the country's North American exports, but also to those destined for the Latin American market. Although the industries had hopes of being included in an expanded Andean Trade Preferences Act (ATPA), which would have considerably boosted U.S. exports—thereby increasing employment in the sector and bringing in much-needed investment for expansion and modernization, especially in the textile sector—enhancement of the act has been put on hold for the moment. This has not stalled business as usual, however, as the textile industry has been experiencing a startling rebound since its 1999 downswing, registering nearly 25% growth in sales and production levels in 2000. Combined exports from the two sectors totaled \$800 million the same year. Colombia is known for its high quality manufacturing and produces clothing for more than 50 well-known trademarks, Ralph Lauren, Tommy, Levi Strauss and Kenneth Cole among them.



**GUILLERMO VALENCIA J.**  
President of  
Industrias e  
Inversiones Cid

Two Colombian companies long dedicated exclusively to the U.S. market are Industrias e Inversiones Cid and C.I. Index S.A. El Cid was founded over 45 years ago and currently produces clothing for Oscar de la Renta, Nautica, JC Penney, Macy's and Wal-Mart, to name a few. President of the family-owned company, Guillermo Valencia J., briefly explains the company's history, "Until 1973, Cid's entire production was oriented towards the domestic market. At that point, we began to get involved in the export business and started to grow rapidly. Although we still produced for the domestic market for some time afterward, the international market began to consume more and more of our resources. For about eight years now, we haven't produced anything for the Colombian market; it all goes to the U.S.



**JAIME JARAMILLO E.**  
General  
Manager of C.I.  
Index S.A.

and probably 99.5% of that to our partner in Atlanta, who we have been working with for 28 years."

Mr. Valencia adds that his U.S. clients are impressed with the exceptional quality of Colombian fabrics. He states, "Apparel made in Colombia is better than apparel made in other parts of the world. A New York client told me recently that when he lays out fabrics from all over the world on a table, his people can immediately pick out which have come from Colombia. Colombia's image abroad is very positive, not only for the high quality of its products, but also for the high level of management capability in its companies—they commit and they come through."

Index, which is still majority-owned and managed by its founder, Jaime Jaramillo E., was established in 1984 with the purpose of manufacturing ca-

## Lingerie giant makes plans for the long-term

COLOMBIAN lingerie giant Antonella was founded in 1975 "by a woman for women" as their slogan commemorates. Since then, the company has established itself as the country's foremost department store chain, as well as a major exporter—Antonella currently exports 75% of production across nearly all of Latin America. Operating under ISO 9001 standards, Antonella has become recognized worldwide for the quality of its intimate apparel. General Manager Luis Fernando Estrada B. comments, "The company began as a brassiere manufacturer and dedicated itself exclusively to that for the first 10 years. Then we decided to develop a line of panties and we began to grow very quickly in the national market. However, we felt that this didn't allow for the medium- or long-term growth the



**LUIS FERNANDO ESTRADA B.**  
General  
Manager of  
Antonella

company needed so we began to export to Venezuela, where we still sell around 20% of our production today. Shortly after, we began to expand throughout Latin America, with special focus on Chile, Argentina, Central America and the Caribbean."

Antonella is also now planning its strategy for the U.S. market and has formed an alliance with Punto Blanco to strengthen the expansion. "We want to have our products displayed in 2000 stores by the year 2005 and I think we will achieve this," states Mr. Estrada.

"We have already established a presence in Mexico and I am sure that we will grow in the U.S. as our products have received quite a positive response there."

Mr. Estrada believes that Colombia's textile and apparel industries hold promising opportunities for U.S. investors. "Colombia has many advantages in the textile sector compared to other countries," he notes. "First, there is the long-standing textile tradition here, as well as the technical know-how. Our workers are committed and capable and energy is cheap. By 2005, Colombia will be in the middle of the free-trade zone, which will allow us easy access to markets to the north, south, and towards the center and the Caribbean, not to mention the fact that we have access to two oceans."



**WITH 25 YEARS** of experience in manufacturing women's undergarments, Antonella is now recognized as a brand of both domestic and international renown and is widening its product base to comply with the needs of today's woman.

Life takes



# Colombia

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sual wear for national and international markets and has since produced trademarks such as Gitano, Calvin Klein, Levi Strauss and Ralph Lauren. Mr. Jaramillo, like most Colombian textile industrialists, is a strong advocate for an amplified ATPA and expresses concern for the possible social repercussions of exclusion from the act. He explains, "As far as quality, service, and professionalism

goes, we are the best, but we cannot compete with other countries that do not have the same tariffs as we do. We have a great desire to expand, to be significant suppliers for the U.S. market, but we need equal and fair competition conditions. Without the expanded ATPA, or worse, without a renewed ATPA, Colombia will see greater levels of poverty and unemployment."



**INDEX** has produced casual wear for Calvin Klein and Ralph Lauren.



**LEONISA HAS WON** international awards for design and quality and is a favorite among millions of women with true Latin spirit. Leonisa: a brand that knows no boundaries and stands tall throughout the world.

## Consumer respect is key to success

LEONISA S.A. IS Colombia's premier producer of lingerie and women's intimate apparel, and perhaps the country's most successful multinational, operating in over 70 countries worldwide, with a direct presence in 20. Manufacturing more than 50 million garments yearly, Leonisa boasted \$160 million total sales in 2000. Moreover, the company also produces 90% of the fabrics and materials used in their final products. Working round the clock from their logistics center in Medellín, staff can monitor orders through a direct satellite network, which is reprogrammed three times a day to ensure that no order is more

than eight hours old before it is handled.

According to the company's President, Oscar A. Echeverri R., the secret to Leonisa's success is its continuous search to meet the necessities of a consumer who must satisfy both the distinctive facets of her personality and the differing situations she finds herself in throughout the day. The company is meticulous in its research on preferences, personality types, cultural attitudes and the seasons of each climate.

"For the Latin woman, this is a very important piece of clothing. This is why we have also been able to expand throughout

Spain, Portugal, and Italy," Mr. Echeverri comments.

"Leonisa's predominant characteristic as a company is respect for the consumer. We know the Latin woman better than anyone else, what her likes and needs are, but still we try to go further, to move beyond this, because we don't want our customers to have to fit into a certain stereotype. In this sense we are a truly global company because we embrace diversity and accept that there may be other people who think differently, who have different needs, and we want to respect them as consumers and find the right solutions for them," he concludes.

## Dressed for success: Telas Lafayette

FABRIC MANUFACTURER Telas Lafayette may be about to celebrate its 60th year in the textile business, but rather than dwelling on the past, the company has its eyes firmly set on the future.

Lafayette manufactures an extensive range of polyester-based fabrics for four key areas—clothing, sportswear, home furnishings and industrial goods—with its materials used for anything from industrial-strength awnings and waterproof outdoor wear to lightweight dresses and pajamas.

The company's 1,500-strong workforce deals with the whole process, from the production of the polyester yarn to the dyeing, printing and finishing of the fabric ready for its delivery to a vast array of customers which include clothing manufacturers and retail stores.

A commitment to quality, competitive prices and a personalized service have propelled Lafayette to leadership in its field and to considerable success at home and abroad.



**LAFAYETTE'S** vertically integrated operation includes some of the most technologically advanced equipment available.

The company now has a turnover in the region of \$50 million, while roughly 30% of its produce is exported (15% directly and another 15% through garment manufacturers in Colombia) to over 20 countries in

Central and South America and Europe.

Lafayette is, however, not resting on its laurels and has ambitious aims for the future. Its first objective is to break into the North American market, with the hope that the approval of a new Andean Trade Preference Act (ATPA) will see the U.S. relax its restrictions on textile imports.

Access to the U.S. market would have a positive effect not just on the future prospects of the company but also on Colombian society, as the creation of additional stable employment would be a sure-fire way of deterring people from involvement in the narcotics trade. "The U.S. market is the biggest market in the hemisphere," explains a company spokesperson. "For our business, the fact that we would be able to access it without tariffs would mean a significant increase in sales for us and our clients, generating greater stability and prosperity for the whole country."



**RECOGNIZED FOR EXCELLENCE** in design and manufacturing, Telas Lafayette exports fabrics for women's, men's and children's clothing as well as home furnishings and industrial applications around the world.

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# Jamaica

## JAMAICA

### Setting an example for the region

**THE INFORMATION TECHNOLOGY SECTOR IS GROWING AT A RAPID PACE THANKS TO QUALITY TRAINING PROGRAMS AND AN EFFICIENT, DYNAMIC WORKFORCE IS PROVING A MAJOR BONUS FOR FOREIGN INVESTORS**

THE DEVELOPMENT achieved in Jamaica's Information Technology (IT) sector in the last few years is noteworthy and in line with Prime Minister Patterson's commitment to raising employment rates in the country. Through the Ministry of Industry, Commerce and Technology, the Jamaican government has launched a program to convert the country into a "Digital Island". Substantial investment in the country's telecommunication infrastructures has contributed to making IT one of its most lucrative industries and the sector now employs well over 6,000 people. As a result, Jamaica is one of an elite group of countries with a 100% digital telecommunications network, distinguishing itself as a regional leader. Capitalizing on the country's efficient, English-speaking workforce, various U.S. companies have moved their data entry and call centers to the island.

Much of IT growth has taken place in the Montego Bay Free Zone where investors enjoy the benefits of incentives and preferential tax treatment, as well as the presence of Jamaica Digiport International, which holds powerful data-transfer facilities for international exchanges including sophisticated imaging, voice, and facsimile services.

Supporting the government's technological thrust are the administration's recent education ini-

The IT sector is one of Jamaica's most lucrative, employing over 6,000 people

tiatives. In addition to the Caribbean Institute of Technology, through which many in Jamaica's IT workforce have become qualified, the government has strengthened the capacity of its national training agency, HEART Trust, which is responsible for providing Jamaicans with the professional training required by the market. HEART Trust, which has been in existence since 1982, both finances training programs and operates an island-wide network of learning institutions. Initiatives have not only been aimed at adult level education, but also at improving computer literacy for children. The benchmark program is beginning to gather attention throughout the region. Elisabeth G. Terry, HEART Trust's IT Project Officer comments, "Our graduates are as competent as those graduating from any other institution in the world because our training is of a very high standard. The Jamaican workforce has a great edge when ranked with others in the region. The national training system we operate is the leading model of its kind in the region. As we seek to



**ROBERT L. GREGORY**  
Executive  
Director of the  
Heart Trust



**HON. K.D. KNIGHT**  
Minister of  
Foreign Affairs  
and Foreign  
Trade

**INVESTING IN PEOPLE** Training programs have reduced unemployment and given Jamaicans the opportunity to shine.

strengthen the system, we will be in a better position to make more customized training interventions in our workforce and in effect, raise the competitiveness of our workers, she points out, adding "As it now stands, most of our sister is-

lands in the eastern Caribbean have paid numerous visits to Jamaica to learn more about the HEART Trust model. We have strong admirers amongst our Caribbean neighbors."

The response of Jamaicans to these initiatives has been over-

whelming and there are waiting lists to enter HEART Trust's programs. Prime Minister Patterson's belief that Jamaica's future lies in its human infrastructure is now being demonstrated as foreign investors discover, to their pleasant surprise,

## Economic reforms make for more competitive marketplace

**TO OVERCOME THE FINANCIAL STRAINS OF THE 1990s, JAMAICA NEEDED TO ADOPT A MORE GLOBAL ECONOMIC OUTLOOK. TWO BODIES WERE SET UP, JAMPRO AND FINSAC, AND BOTH HAVE HAD A PART IN THE**

AFTER JAMAICA'S economic restructuring and liberalization during the last five years, and on the heels of a successful financial sec-

tor clean-up, the Jamaican government is now turning its attention towards improving exports and strengthening global economic alliances through free-trade agreements such as the Caribbean Common Market (CARICOM) and the Free Trade Area of the Americas (FTAA), as well as enhancing the capacity of Jamaican companies to compete in the international market. Min-

**TRANSFORMATION OF THE JAMAICAN ECONOMY. THIS ACHIEVED, THE GOVERNMENT CAN NOW TURN ITS FOCUS TO STRENGTHENING INTERNATIONAL ALLIANCES AND IMPROVING INFRASTRUCTURE.**

ister of Foreign Affairs and Foreign Trade K.D. Knight elaborates, "We are involved in a number of negotiations; we have the CARICOM Single Market and Economy to create one economic space and to facilitate the movement of capital and people within that region. We are also involved with WTO negotiations and CARIBCAN [a preferential tariff arrangement with Canada]. In addition,

the Jamaican Promotions Corporation (Jampro) is currently active in identifying niche markets. There is also a focus on education so people are more aware of their competencies. So, all told, we are heavily involved in the whole matter of capacity building right now."

The Jamaican government is also actively encouraging foreign investment and offers a variety of incentives for investors such as remittance facilities for repatriating funds, tax holidays, and duty-free access for machinery and raw materials. Jamaica has managed to achieve preferential market access to the U.S., Canada, Europe, the Caribbean countries, Venezuela and Colombia. As Minister of Finance and Planning Omar Davies remarks, "If you look throughout the English-speaking Caribbean, even throughout CARICOM, Jamaica is the most open in terms of inviting investments and liberalization policies."

Much of Jamaica's new global outlook can be attributed to the efforts of Jampro, the country's export and investment promotion agency. During the mid-1990s, when the Ministry of Finance and Planning abruptly changed monetary policies to counteract raging inflation and orbiting interest rates, the sud-

## The island paradise awakens

Continued from page 1

are behind us. Our banking institutions are now back on track, not only within the proper legal framework, but also in terms of investment capital."

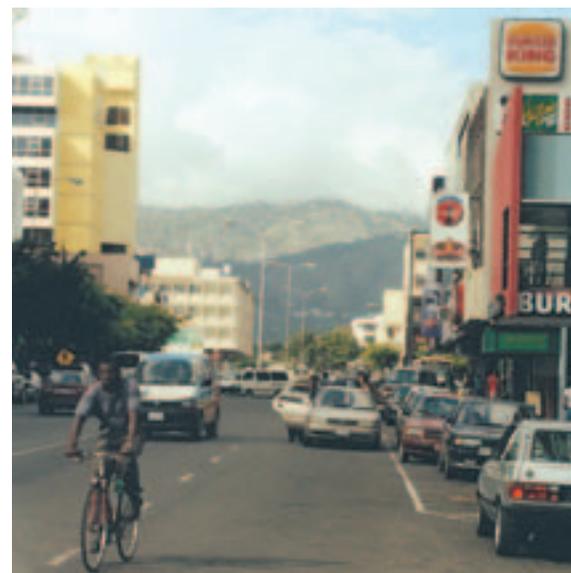
As we waking from a long slumber, Jamaica's economy is slowly beginning to rouse. GDP in 2000 was \$6.89 billion and, after four years of contraction, a 0.8% growth marked the economy's return to positive figures. Growth for 2001-2002 was predicted at 2-4% and is generally expected to reach the 3-5% level over the next five years. Furthermore, inflation has fallen from 1995 highs of 25% to 6.1% in 2000.

As well as the stabilization of

the economy, a priority focus for Prime Minister Patterson has been the development of human resources. As he notes, "We have recognized the linkage between human capital and the economy." To this end, great strides have been made during the last few years in education and the enhancement of Jamaica's human resource capacity, especially with regard to computer literacy. In addition, the country's Information Technology sector, targeted by the government for long-term development, has experienced impressive growth since 1996.

Much still remains to be done, but the fact is that Jamaica now has a much stronger potential for growth and modernization.

As the 2002 general elections come into view, Prime Minister Patterson is once again preparing his campaign platform and defining his objectives for the new term. "Within the following five years we want to achieve sustained and substantial growth. We want to see significant job creation and a continuation in the build up of our human capital, with an emphasis on human resource development. We would like to develop a climate that allows every Jamaican to realize their full potential," he states. "We want to foster a sense of social well-being now. We also want to develop quality production which embraces all the advantages of technology, discipline and productivity."



**BUILDING UP BUSINESS** Reforms have put the economy back on track.

denly tight fiscal policy precipitated the fall of the financial sector and Jamaica found itself in the middle of crisis. Focused at that point on small-business development, Jampro was forced to look abroad for answers.

"Going from a very inflationary environment into a controlled environment resulted in huge fall-outs. We did not believe that we could get much return on putting our efforts into the domestic economy at that time because there were just too many problems, so we started to look more closely at trying to attract foreign investment. With regard to the domestic economy our efforts went into helping organizations restructure themselves, re-align, and prepare for the new environment," Jam-

pro President Patricia Francis explains. "We also faced a bureaucracy that was not conducive to investors, domestic or foreign, so there were policy issues that needed to be addressed. We became huge advocates of privatization and strategic partnerships in order to get the ball rolling and get the investment that we felt was necessary. We told the government that if they liberalized, they would get investment, be able to compete, and attract opportunities." The Jamaican government took the agency's advice and, within five years, FDI rose from \$30 million to over \$300 million.

At the same time, and also assuming a key role in Jamaica's recovery, the Financial Sector Adjustment Company Limited (FIN-SAC) was set up to deal with the country's financial crisis. Today, the agency's job has more or less come to an end as Managing Director Patrick Hylton explains, "There is not much left to do. The only major project left is the sale of \$3.5 million worth of financial real estate. Confidence is back on track as evidenced by the number of foreign participants in the financial sector and the fact that Jamaicans have started to ship their deposits back from foreign banks. I believe that there are now foundations for sustainable growth in the Jamaican economy and in three years we will see a robust performance."

The Minister of Foreign Affairs and Foreign Trade agrees, "The most probable situation is that the present administration will be in office after the next election. It is likely that Jamaica will be on a sustained growth path and that unemployment will be at a tolerable level. In addition, the infrastructure developments taking place now will have had time to contribute to sustainable growth; the road network that we have put in place will facilitate the growth of new communities, which will in turn help decrease urban congestion and crime levels in the capital city."

"There are now foundations for sustainable growth in the Jamaican economy"



JAMAICA TOURIST BOARD

**REAPING THE BENEFITS** New economic policies have brought in investment.

## Dynamic workforce and low operating costs are major draws for U.S. firms

HISTORICALLY, Jamaica has had close ties with the U.K., but trade, financial, and cultural relations with the U.S. are now predominant. Just 60 minutes from the United States, Jamaica offers a productive, highly educated, English-speaking workforce and operating costs approximately 40% lower than in the U.S., which goes a long way in explaining why many U.S. companies have moved their call center and data entry bases to the island. More than 80 U.S. firms currently have operations in Jamaica and total U.S. investment is estimated at more than \$1 billion.

As well as protecting U.S. business interests in Jamaica and facilitating information for potential investors, the American Chamber of Commerce of Jamaica (AmCham) also works to promote Jamaican trade interests abroad, according to Executive Director Becky Stockhausen. Through the recent Global Technology Network program, AmCham offers information services to Jamaican businesses regarding trade leads "to help find the best companies in the U.S. and around the world for forging business alliances for purchasing

equipment and technology, and for joint ventures."

A priority for AmCham at the moment is the issue of crime. Mrs. Stockhausen feels Jamaica has been incorrectly portrayed in the international press and that there is a general misperception abroad regarding the country's crime levels. She is quick to affirm that although crime does exist, it is generally confined to inner-city pockets and the general atmosphere is safe both for

businessmen and tourists. She further points out that measures are being taken to assure security. AmCham played a crucial role in establishing the Heal Jamaica Anti-Crime Initiative, in which it continues to take an active part. The initiative, involving collaboration between the government, law enforcement agencies, the business community and citizens, achieved a substantial reduction in crime rates during its first year.



**BECKY STOCKHAUSEN**  
Executive Director of the American Chamber of Commerce of Jamaica. AmCham assists potential U.S. investors as well as promoting Jamaican trade interests abroad to help forge positive business alliances.

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### Sparkling Entertainment



Appeals to every mood...from easy-going pool parties to sophisticated evening soirees at our world-class restaurants. Get into the groove at the Jonkanoo Lounge...New Kingston's party mecca.

### Complete Conference and Convention Facilities

Meet and greet in one of Kingston's largest conference facilities including 16,000 square feet of conference room, meeting room and Ballroom space. Our Grand Independence Ballroom can accommodate 1,300 people theater-style or 850 banquet-style. Meeting rooms accommodate groups from 12 - 200 persons.

### First Class Business Services



Featuring the Hilton's state of the art Cyber Center, equipped to meet all your business needs. Move your meetings into top gear with our video conference facility and high speed internet access.

### Fine Dining

Dine on gourmet cuisine from our award-winning chefs who make every meal a mouth-watering experience in an atmosphere of elegance, at the Palm Court Restaurant and the Terrace Cafe. Plus; exciting Theme Nights Poolside. Enjoy exquisite creations from around the world, including fine Japanese cuisine at Kingston's first Japanese Restaurant.

### Special Packages

Make your special occasion an event to remember. Call us for information on our special "Weekend", "Wedding" and "Honeymoon Getaway" packages available year-round.

### Recreation

From impeccably landscaped gardens to our Olympic-sized swimming pool, the Hilton's grounds and leisure facilities are designed to ease the mind, body and spirit. Enjoy our tennis, health club and video gaming facilities.

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## HEART TRUST/NTA, BRINGING JAMAICA'S WORLD-CLASS WORKFORCE TO THE GLOBAL MARKET PLACE

Aside from its location at the heart of the Caribbean, Jamaica has another clear advantage when it comes to attracting international investors:

### ITS PEOPLE.

Thanks to HEART Trust/NTA - Jamaica's leading human resources and training institution - this English-speaking island offers a highly skilled workforce able to adapt to the needs of overseas investors in a wide range of sectors.



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## Market leader predicts economic upswing

WITH BANKING INSTITUTIONS NOW BACK ON TRACK, FOREIGN INVESTORS NOW ENTERING THE MARKET ARE SEEKING MODERNIZATION AND INCREASED COMPETITION. WITH A DETERMINED CHAIRMAN AT THE HELM, NCB HAS MADE A PLEDGE TO SECURE A PLACE FOR JAMAICA ON THE WORLD FINANCIAL MAP

IN MARCH 2002, the Jamaican government sold a 76% stake in the National Commercial Bank (NCB) to Canadian-based AIC Group for \$125 million, marking the end of the rehabilitation of the financial sector undertaken by the government after the financial crisis of the 1990s. The sale was managed by the government's financial restructuring agency, FINSAC, which was established in 1997 with a mandate to restore stability to Jamaica's financial institutions. At that time, a number of Jamaican banks and insurance companies were experiencing liquidity and solvency shortfalls and an erosion in customer confidence. The NCB sale represents the last of the financial institutions which had been taken over by FINSAC.

NCB is Jamaica's biggest financial services provider and also boasts its largest customer base. But seeing the bank's—and Jamaica's—potential, Chairman Michael Lee-Chin is now turning his efforts towards transforming NCB into a major regional player. "NCB is a publicly traded company and the cleanest and most capitalized bank in Jamaica. Only 8% of its balance sheet is in loans—no other bank has that profile. Our intent is to build it into the strongest bank in the Caribbean. After that we are going to attack North America. NCB is the vessel that will show the world what can be done in Jamaica," he declares.

One tends to believe him. Mr. Lee-Chin, reportedly now one of the 15 wealthiest people in Canada, owns an 88% share in AIC Group, one of Canada's largest and most successful mutual fund companies with assets under management totaling approximately \$10 billion dollars. Although he was born and raised in Jamaica, Mr. Lee-Chin emigrated to Canada during the early 1970s to attend college and later rose up through the ranks of the financial world to become chairman and chief investment officer of AIC Limited.

His success story is matched only by that of his family, all of whom remain in Jamaica. As the son of supermarket clerks, and the eldest in a family of nine children, he recalls that his early life was "not economically flush, to say the least." However, on returning to Jamaica after college in 1974, Mr. Lee-Chin found that his parents had taken advantage

of the country's upheaval and economic downswing to buy a supermarket, reinstating one of his core beliefs that crisis leads to opportunity. Mr. Lee-Chin reflects, "My mother is the real success story because she went from zero to build a family. The one supermarket my parents bought has been groomed into the largest supermarket chain in Jamaica. On top of that, they have raised nine children, all university educated, all trade professionals and all contributing role models in Jamaica." Quite an achievement by any standards.

Mr. Lee-Chin explains that NCB's new business strategy will be based on meeting customer needs and differentiating itself from the competition, while at the same time working to achieve a first-class reputation. Furthermore, he would ideally like to achieve these goals within a highly competitive environment. "NCB has about 35% of the market share at the moment, but really the first area for our growth is to bring competition into the Jamaican financial services arena. If not, it is too easy to allow one

day to melt into the next, especially when you are doing well," he explains. "Jamaicans need to know that they can bring their money back home and, at the end of the day, the best asset that NCB has is its emotional equity with the people of Jamaica. It is an indigenous bank and Jamaicans are proud of it."

Mr. Lee-Chin is confident of Jamaica's future and feels that the country is on the verge of a long-overdue upswing. He explains, "The missed opportunities that have occurred in the past are now manifesting themselves. In the early 1960s, Jamaica had an economy comparable to that of Hong Kong. Today, when I travel to the Caymans, Barbados, Bermuda, or the Bahamas, I feel bad for Jamaica because I see the opportunity lost. But at some point when you crash, or reach your low point, you get mad and are not going to take it anymore. I think that we are at that point. The turnaround is about to happen here and I intend to use AIC to attract other investors. When you come here and look around, you will see the potential."

"NCB is the vessel that will show the world what can be done in Jamaica"



**TOWER OF STRENGTH** NCB's head office in New Kingston. Chairman Michael Lee-Chin aims to build NCB into the strongest bank in the Caribbean.

# Jamaica

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**MICHAEL LEE-CHIN**  
NATIONAL  
COMMERCIAL BANK  
CHAIRMAN

“ We have to seek to differentiate

ourselves from the rest of the Caribbean islands. We all have sand, sun and sea, but in Jamaica we have much more.

**FAY PICKERSGILL**  
JAMAICA TOURIST  
BOARD  
DIRECTOR OF TOURISM

“ It is my belief that Kingston has not received the prominent place it deserves and since our arrival we have embarked on a strategy to open Kingston to the world.

**FRANK ROSHEUVEL**  
HILTON KINGSTON  
JAMAICA  
GENERAL MANAGER



JAMAICA TOURIST BOARD

**TRUE ISLAND PARADISE** Jamaica is regarded as the most enchanting of the Caribbean islands. Tourism, along with bauxite and agriculture, remains the backbone of the economy with over two million visitors a year.

## Holiday of a lifetime? No problem, mon

**AS ONE OF THE KEY SECTORS OF THE ISLAND ECONOMY, GREAT EMPHASIS IS PLACED ON TOURISM IN JAMAICA, AND TWO MILLION VISITORS A YEAR CAN'T BE WRONG. A CONVENTION CENTER IS ALSO BEING BUILT TO CATER TO BUSINESS TRAVELERS**

IS THERE MORE to Jamaica than endless white-sand beaches, all-inclusive resorts, the indescribable Caribbean Sea and sun, sun, sun? More than the island's colorful ethnicity, romance, reggae, and rum? Does there need to be? Try mountains and lots of them (Jamaica is, after all, home to Blue Mountain coffee). Average temperatures of 80°F. Waterfalls. Mineral spring baths. World-famous orchids. 25 species of birds which are found nowhere else on earth. 19th century plantations to visit and luxurious villas to rent complete with cook, housekeeper and gardener. What about tranquil and fascinating people who greet visitors with warmth, curiosity and openness?

These may be a few of the reasons why Jamaica has ranked within the top five of the world's most favorite tourist destinations and is such a popular destination for U.S. tourists—more than 800,000 Americans visited in 2000. Tourism is Jamaica's major industry and foreign-exchange earner and the island receives approximately 2.2 million visitors annually. Gross earnings in 2000 amounted to \$1.33 billion, representing an increase of 4.2% over the previous year.

Jamaica's tourist industry employs an estimated 65,000 peo-

ple and accounts for roughly 15% of the country's GDP. Accordingly, the Jamaican government is active in boosting the sector and supporting investment. Various measures have been implemented such as the free movement of capital, income tax relief and duty-free importation of capital items for construction. As well, plans to strengthen the sector's infrastructure are a priority for the government which has commissioned two major highway projects in recent years: The North Coast highway project linking the major coastal tourist

areas of Montego Bay and Negril, which began in 1999, and the first phase of Highway 2000 that will eventually link Kingston and Montego Bay, which commenced in 2001.

The Jamaica Tourist Board (JTB) has the task of promoting the island, which it does through emphasizing the many facets of Jamaica that set it apart from other tourist destinations in the region. Director of Tourism Fay Pickersgill states, "We have to seek to differentiate ourselves from the rest of the Caribbean islands. We all have the sand, sun and

Jamaica's tourist industry employs around 65,000 people and makes up 15% of GDP



**REGGAE, REEFERS AND RUM** Jamaica caters to all: have your own villa on a secluded beach, whoop it up at a party-rich resort or mix with the natives.



**FRANK ROSHEUVEL**  
General  
Manager of  
Hilton Kingston  
Jamaica

sea, but in Jamaica we have much more and it is this diversity and uniqueness that we want to promote. We have the mountains, more rivers than any of the other islands would dream of having, we have waterfalls, we have the food and we have the culture. This allows us to target different markets such as the honeymoon market, the family market, nature tourism, and the Afro-American market. And we will speak to different audiences, through different media, and in different ways." A primary focus for the Jamaican tourism sector at the moment is convention business and a new convention center is planned for Montego Bay to help support the market's development.

Another area ripe for potential tourism development, especially as a destination for business and convention visitors, is Kingston, says Hilton Kingston Jamaica General Manager Frank Rosheuvel. Located on the southeast coast of the island, Jamaica's capital city is the largest English-speaking city in the Caribbean. Built around the seventh-largest natural harbor in the world, Kingston is renowned for its art and cultural activities,

as well as for being "The Home of Reggae".

"It is my belief that Kingston has not received the prominent place it deserves and since our arrival we have embarked on a strategy to open Kingston to the world," states Mr. Rosheuvel whose recent efforts to help Kingston regain its status as the "heartbeat of the Caribbean" have included hosting a travel writer's conference, in which a street festival offered increased exposure for Jamaican music, culture and art, and a charity golf tournament. In April of this year, the CARIFLORA festival was held which involved the participation of flower, art and music enthusiasts from the Caribbean region and Latin America.

The Hilton Kingston Jamaica is located in the center of Jamaica's financial district and near such major points of interests as the Bob Marley museum, golf courses, and the social and entertainment center of the Caribbean. It has therefore become the preferred choice for Jamaica's business traveler.

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