

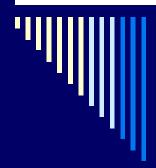
Current Status of Public Policies

The Case of Jamaica SMEs



Format of Presentation

- ☐ JA SME SECTOR
- POLICY FRAMEWORK
- WORK UNDERTAKEN
- WAY FORWARD



CASME AGENDA

- Thank you for the systematic approach to regional SME development
- 2016 regional meeting builds on 2015 priorities
- Regional approach provides best platform for coordination
- Development of an index for evaluation should be applauded



OVERALL COUNTRY GOAL-VISION 20/30

JAMAICA, A PLACE OF CHOICE TO LIVE, WORK, RAISE FAMILIES, AND DO BUSINESS



CURRENT REALITIES (EMERGING ECONOMIES)

- 365-445 million MSMEs; 285-345 informal
- SMEs contribute to more than 45% of total employment
- Create 4 out of every 5 jobs

Source: World Bank Group MSMEs study 2010



CURRENT REALITIES (EMERGING ECONOMIES)

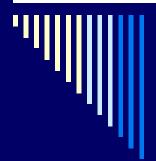
- □ 70% of all MSMEs lack access to credit
- Credit gap estimated at US\$1.2 Trillion



FUNDAMENTAL CHALLENGES TO MSMEs in the REGION

□ Vulnerability to natural disasters-USD34B in losses in 08/09 in region

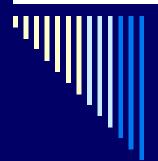
□ Regional average rank of 85 in World Bank Doing Business Report (2013)



MSMEs REALITIES - JAMAICA

- Contribute to 35% of labour force
- No omnibus policy

- Contribute 40% to GDP
- No single legislative framework



CHALLENGES TO MSMEs GROWTH

- Inadequate access to financing
- Paucity of research on MSMEs sector

- No national policy to drive sector
- No specific ministerial focal point for sector
- Services to MSMEs fragmented



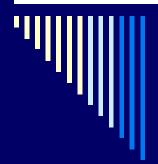
DEVELOPING ISSUES

- Draft Policy in place
- New approach to taxation-tiered
- Shift toward indirect taxation



DEVELOPING ISSUES

- JSE Junior Stock Market launched in 2009
- □ Between 2009- Dec 2015 market capitalisation reached J\$68B
- 23 companies listed up to Dec 2015
- □ Contribution to GCT increased by 337%; NIS 120%, PAYE 97%



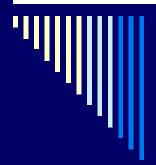
MOVING FORWARD (JAMAICA)

- Consider new approaches to develop MSMEs
 - Daniel Babson Entrepreneurship Ecosystem Project (BEEP)
 - Complete omnibus policy
 - Develop overarching legal and regulatory framework
 - Support JSE JM as part of Jas funding architecture



MOVING FORWARD

- Develop an incentives policy to drive MSMEs growth
- Review VISION 2030 document to include specific targets and strategies relating to MSMEs
- Amend procurement policy to specify a set % of business to support MSMEs sector



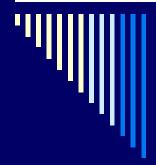
MOVING FORWARD (CASME)

- Seek meeting on the margins with CARICOM for MSMEs agenda in Region
- Strengthen link with COTED at CARICOM
- Seek technical support of funding partners for development of Index of Evaluation



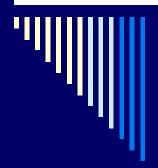
INDEX OF EVALUATION

- Provides a basis for measuring performance
- Contributes to culture shifts in regionencourages discipline to work toward common goals
- Allows for synergies, cooperation and more effective collaboration across region



GROWING MSMEs sector CAN MEAN

- Growing GDP
- Growing employment
- Growing firm and personal wealth



EWIN MARION KAUFFMAN's PHILOSOPHIES

- □ Treat others how you would want to be treated
- Share life's rewards with those who make them possible
- ☐ Give back to society