



ADDRESS

**SENATOR THE HONOURABLE
AUBYN HILL
MINISTER**

**MINISTRY OF INDUSTRY, INVESTMENT &
COMMERCE**

INSTITUTE OF CHARTERED ACCOUNTS

**TAXATION WEBINAR
JAMAICA'S ECONOMIC OUTLOOK**

WEDNESDAY, SEPTEMBER 21, 2022

2:00 PM

VIA ZOOM

SALUTATIONS

- **Mr. Eric Marder** – Taxation Committee Chairman, Institute of Chartered Accountants of Jamaica (ICAJ)
- **Mr. Ainsley Powell, CD** – Commissioner General, Tax Administration Jamaica
- **Ms. Allison Peart** – President, ICAJ
- **Ms. Prunella Vassell** – ICAJ Past President and Taxation Committee Member
- **Mr. Andrew Auerbach** – Senior Tax Advisor, OECD
- **Mr. Everald Dewar** – ICAJ Taxation Committee Member and other Members of the Taxation Committee
- Members of Council
- Media Practitioners
- Distinguished ladies and gentlemen

Greetings and I am pleased on behalf of the Ministry of Industry, Investment and Commerce, and our 22 agencies to address this important Taxation Webinar by the Institute of Chartered Accountants of Jamaica.

The regulatory and assurance services functions of this Ministry and our agencies will continue to work to continue to build confidence in the local B2B and B2C landscape. We intend to use this facilitatory and enabling approach to set us apart from much of the English-speaking Caribbean as a preferred business destination for both public and private sector engagements.

Some 1450 ICAJ members are employed to senior management positions in Industry, Investment, Commerce, Audit and ICT, indeed across the entire Jamaican economy. Many have also been and continue to be students of the ICAJ, in what is a strong value chain of excellence that not only secures the future of this noble profession, but assures integrity and fairness in business-financial concerns for the benefit of the business community and general public.

The dynamics of the Accountancy profession must align with shifting demands if it is to remain relevant and responsive in an ever-changing and increasingly digital

business environment. Sharp divisions and the proliferation of large amounts of data often mean that fake news may and will be misunderstood for facts. Accountants and Auditors must therefore draw on the purpose and essence of the profession in truth and accountability, to support a strong, verified and sustainable business economy.

Once the business-investor community could rely on a smaller number of face-to-face local interactions. But many are today forced to rely on impersonal data and information to guide significant business decisions.

Now more than ever your work will require the shrewd adoption of both financial and non-financial considerations to address the most vital business, financial, social and governance disclosures of our time. It will require you to supplement traditional chartered accountancy skills with a much better understanding of how public engagement with data can help address important socio-economic issues within an investor and data abundant environment.

In this way we support the growth of public trust in information which is a significant piece of the puzzle in creating a vibrant business economy. It is why early when I took over as Minister of Industry, Investment and Commerce I appointed an Export Expert Team comprising officials from my Ministry and agency executives to

examine existing data, collect new data, upgrade our trade laws and regulations, and conduct face-to-face meetings with manufacturing and service providing exporters to help grow their exports and expertise, while finding new markets.

Just last month, the Companies Office of Jamaica (COJ) which is an agency of my Ministry announced that the country is on track to surpass some 17,039 business names and 4,878 new companies recorded last year, as new entrepreneurs emerge across such industries as ecommerce and ICT, manufacturing and distribution. The work of the ICAJ in preparing analysts and other professionals to guide similar projections, remains useful in helping governments plan and can mean the difference between the kind of business confidence and general investor climate that Jamaica enjoys. Already, we are ranked 1st in the Caribbean and 6th in Latin American with respect to ease of doing business. But at 64th when compared to the rest of the world, we still have some way to go.

Many of you would have heard about the National Business Portal powered by JAMPRO, an agency within my Ministry. It is Jamaica's most unique digital investor ecosystem that allows visitors to get all the information they need on investing in Jamaica through one central and very easy-to-use online platform.

If you have not yet visited the site I urge you to do so at (www.dobusiness.gov.jm).

The portal includes information on exciting near-shore opportunities in Jamaica, details on how to obtain Special Economic Zone status for your business, acquiring land, construction permits and even entry visas.

We are serious about the development and expansion of SEZs across Jamaica. I am therefore calling on members of the ICAJ to become part of our loudest and most informed pitch to the global business community, not only on SEZs that stand to raise significant capital for the local economy, but wider available opportunities in film, manufacturing, agri-business and business knowledge and IT outsourcing activities.

The Special Economic Zones Act of 2016, allows new MSME occupants of Special Economic Zones in Jamaica to benefit from fiscal and non-fiscal incentives such as 12.5% on corporate income tax, as opposed to the customary 25%, alongside capacity building and duty free importation on raw materials. And because of their growth potential, special attention is being given to MSMEs in such industries as logistics and pharmaceuticals, agri-processing and agri-technology, automotive, black beauty care and the Global Services Sector.

I am heartened that despite immense challenges faced by the global pandemic, the Jamaican economy coped well and we remained in a position to confront some of the greatest difficulties of our modern economy. We demonstrated an ability to absorb economic shocks which was aided by the Government's sound fiscal policies that created sufficient fiscal, monetary and resilience buffers to allow us to quickly overcome many challenges posed by pandemic related business interruption and border curtailment.

Our employment rate averaged 88.87% between 2011 and 2022, reaching an all-time high of 94% in the second quarter of this year. The Bank of Jamaica projects real GDP to grow at an average rate of 3.1% over March 2022 to December 2023 quarters. Last fiscal year our economy grew by over 8% and the quarter to June 22 it grew by 5.7% over the same period the previous year. This year marked the 7th consecutive year where there were no increases in net taxes and the 5th consecutive year where there were no new taxes at all.

My Ministry is doing its part in this partnership for prosperity and we are excited about the future of Jamaica. The ICAJ is in a unique position to help challenge the

proliferation of misinformation that has caused ruin to many promising organizations.

In a modern business world this will mean continuing the traditional job of collecting, assuring, analyzing and presenting data but increasingly with a large proportion of non-financial data to help decision makers, including us as legislators, decide the best course of action for the benefit of present and future generations.

Of course we expect that the ICAJ will come to the Ministry with suggestions for legislative and regulatory changes and improvements.

I congratulate you on the facilitation of these pertinent discussions. They present the kinds of opportunities that will serve to strengthen industries and help more development partners coalesce around shared national imperatives and I applaud your leadership for this visionary exercise.

Thank you!

AUBYN HILL