



JAMAICA
INVESTMENT CLIMATE STATEMENT
2015

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Executive Summary

Jamaica is an island nation located in the Caribbean Sea. The Government of Jamaica (GoJ) sees foreign direct investment (FDI) as a key driver for economic growth and is currently undertaking significant structural reforms to improve its investment climate. Suffering from a stagnant economy for more than two decades and one of the highest debt-to-GDP ratios in the world, the government began a four-year International Monetary Fund (IMF) program in May 2013. With the IMF's blessing, the GoJ replaced discretionary incentives with legislation that simplifies the income tax regime and codifies tax benefits for all investors. Despite the progress, bureaucracy remains problematic for businesses and investors, with delays and challenges particularly noteworthy when registering property, paying taxes and enforcing contracts.

Jamaica received almost USD 700 million in FDI in 2014, up from USD 650 million in 2013. Tourism and infrastructure remain key drivers, accounting for two-thirds of the 2015 outlay. Spanish and Chinese investors continue to dominate investment in these sectors. Business process outsourcing (BPO), including call center and other technical support, has become an emerging sector for local and overseas investment - most prominently from the U.S. - and the government recently approved a five-year plan to expand the sector. Jamaica features electricity costs 4-5 times higher than in the U.S. primarily due to expensive and inefficient petroleum-based power plants and outdated energy infrastructure. While this could be an impediment for investment in many fields, the energy sector itself has become increasingly attractive to U.S. investors.

Primary investment risks include crime (e.g. security is required to protect the physical infrastructure of most properties and Jamaica's murder rate remains one of the highest in the hemisphere) and challenges in navigating the government bureaucracy. Additional risks can be attributed to the stagnant economy, low labor productivity, and labor disputes – some of which have mushroomed into protests in the past. Legislation was recently enacted to allow for flexi-work arrangements intended to enhance productivity. While public perception of corruption is high and remains a consideration for potential investors, few U.S. firms have identified corruption as a significant obstacle to foreign investment. Successive administrations have attempted to address corruption by enacting legislation and have signed various international conventions. To date, there have been no high-level convictions. Jamaica ranks 85 out of the 175 countries surveyed globally on Transparency International's Corruption Perception Index.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

The Government of Jamaica is open to foreign investment in all sectors of its economy. Both the governing People's National Party (PNP) and the opposition Jamaica Labor Party (JLP) have committed themselves to attracting foreign direct investment (FDI). Measures that once inhibited foreign investment, such as the Foreign Exchange Control Act, were eliminated decades ago, and Jamaica applies the principle of national treatment to foreign investors.

The GoJ signed a four-year, USD 932 million Extended Fund Facility (EFF) with the IMF in May 2013. As part of the program, the GOJ enacted an ambitious legislative agenda to make

significant structural reforms to its economy. Between May and December 2013, Jamaica's Parliament passed 11 pieces of legislation to improve the business environment and support economic growth through a simplified tax system and broadened tax base. During 2014 the government continued its reform agenda with the passage of an Insolvency Act to make bankruptcy proceedings more efficient. The establishment of credit bureaus and a Collateral Registry under the Secured Interest in Personal Property (SIPP) legislation are improving access to credit. Jamaica made starting business easier by consolidating forms and made electricity less expensive by reducing the cost of external connection works. The government implemented an electronic platform for the payment of taxes and has established a 90 day window for development approvals. A new Electricity Act and a new Procurement Bill have been introduced in Parliament for consideration. Once fully enacted, all of these measures will positively impact the investment climate.

Jamaica's commitment to regulatory reform has been an intentional effort to become a more attractive destination for foreign investment. According to the World Bank's "Doing Business 2015" report, these legislative and economic reforms have helped improve the country's investment climate ranking from 85 to 58 (out of 189). Jamaica now boasts the highest ranking in the Caribbean and sixth place in Latin America and the Caribbean. Jamaica implemented 16 regulatory reforms during the review period, the largest number in the Caribbean. Jamaica improved 8 spots on the Global Competitiveness Index and is ranked 86 out of 144 countries for 2014/15. The country is ranked the third best country to do business in Latin America and the Caribbean according to the 2014 Forbes Best Countries for Business Report. However, Jamaica was cited for making taxes more costly for companies by introducing a minimum business tax in the World Bank Report. Bureaucracy remains a major impediment, with the country continuing to underperform in the areas of registering property, paying taxes and enforcing contracts.

Other Investment Policy Reviews

Jamaica has not undertaken any investment policy reviews within the last three years in conjunction with the World Trade Organization (WTO), Organization for Economic Cooperation and Development (OECD), or United Nations Conference on Trade and Development (UNCTAD). The government last conducted a WTO review in January 2011 and an OECD review in 2004. Jamaica's Trade and Investment entity (JAMPRO) published a summary of Jamaica's economic & political landscape for potential investors.

It is available at: <http://www.jamaicatradeandinvest.org/resources/investing-jamaica-2015>.

With IDB funding, a Tholons Report published in July 2012 evaluates opportunities in Jamaica's Business Process Outsourcing (BPO) sector.

<http://jamaicacsi.org/wp-content/uploads/2012/05/IDB-Tholons-Jamaica-Carving-a-Niche-in-the-Global-Outsourcing-Market.pdf>

Laws/Regulations of Foreign Direct Investment

There are no specific laws/regulations specifically related to foreign investment. The Companies Act and the Securities Act govern acquisitions, mergers and takeovers for publicly traded companies. Purchases of securities are also covered under the Securities Act, but are further regulated by the Financial Services Commission under the Exempt Distribution Guidelines 2008

and the Guidelines for Issuers of Securities 2008 for public and private offerings, respectively. The Companies Act was amended in 2013 to prescribe a single form for business registration and to make amendments for related matters. In 1996, the Securities Act was revised to bring it in line with international regulations. The takeover code was redesigned to ensure the integrity of the securities market while protecting minority shareholders.

Jamaica's legal system is based on English common law and the rules covering the enforceability of contracts are based thereupon. The Jamaican judicial system therefore recognizes and upholds the sanctity of contracts. The system has a long tradition of being fair, but court cases can take years to resolve. Foreign investors also reserve the right to take cases to the Judicial Committee of the Privy Council in the United Kingdom, Jamaica's final appellate court. The Embassy is not aware of any economic or industrial policy that has discriminatory effects on foreign investors.

Industrial Promotion

Jamaica's promotion agency Jamaica Trade and Invest (JAMPRO) lists the following priority sectors for investment: Logistics; Knowledge Services; Tourism; Manufacturing; Agribusiness; Creative Industries; Mining; and Energy. However, sector-specific incentives have been phased out and replaced by the new omnibus fiscal incentives framework that provides varying levels of tax relief with respect to customs duties, stamp duties, and corporate income tax (see Section 5 Investment Incentives). The GoJ has also prioritized a Global Logistics Hub initiative with aspirations of positioning the country as a significant player in the global shipping and logistics industry. According to a Green Paper tabled in Parliament, geographic areas to be called Special Economic Zones (SEZs) will be carved out for "high impact investors." The proposal calls for incentives such as low corporate tax rates to be offered to attract international investors.

Limits on Foreign Control

Jamaica does not impose limits on foreign ownership or control, and local laws do not distinguish between local and foreign investors. Foreign investors are granted National or Most Favored Nation Treatment, subject to the rules of their Bilateral Investment Treaties (BITs). There are no sector-specific restrictions that discriminate against market access. The country is party to both multilateral and bilateral treaties that ensure non-discrimination. The Embassy is not aware of any discrimination against foreign investors at the time of initial investment or after the investment is made. However, under the Jamaican Companies Act, investors are required either to establish a local company or to register a branch office of a foreign-owned enterprise. Branches of companies incorporated abroad must also register with the Registrar of Companies if they intend to operate in Jamaica. There are no laws or regulations requiring firms to adopt articles of incorporation or association that limit or prohibit foreign investment, participation or control.

Privatization Program

Jamaica has actively courted foreign investors as part of its divestment strategy. In certain instances the government encourages local participation, and restrictions may be placed on certain assets due to national security concerns. Privatization can occur through sale, lease or concession. Transactions are generally executed through public tenders, but the government

reserves the right to accept unsolicited proposals. The Development Bank of Jamaica, which oversees the privatization program, is mandated to ensure that the process is fair and transparent. When some entities are being privatized, advertisements are placed locally and through international publications, such as the Financial Times, New York Times and Wall Street Journal, to attract foreign investors. Requests for proposals normally include the specific requirements under which bidders are allowed to participate and the criteria by which proposals will be evaluated. Foreign investors have won most of the privatization bids in the last decade.

The Government has identified dozens of public assets to be privatized, drawing from various sectors. While the time taken to divest assets depends on state of readiness and complexity, on average, transactions take between 18 and 24 months. The process involves pre-feasibility and due diligence assessments; feasibility studies; pre-qualification of bidders; and a public tender. In April 2015, the government signed a 30-year concession agreement for operation of the Kingston Container Terminal port facility. The Urban Development Corporation manages many assets available for privatization. Other assets to be privatized include Norman Manley International Airport, Petroleum Company of Jamaica and Caymanas Track Limited.

List of current privatization transactions: <http://www.dbankjm.com/privatisation/current-transactions>

Screening of FDI

No formal screening mechanisms exist for foreign investments. If investors apply for government incentives or will operate in a regulated sector, they must meet basic prerequisites, and due diligence may be carried out by the approving or regulating authority. This process is not discriminatory and is not intended to impede investment. Jamaica has undertaken a comprehensive program of trade and financial liberalization and most sectors are open to foreign investment. The government reserves the right to approve or reject projects with national security implications or for environmental considerations. Sectors such as financial services, media, energy and mining are subject to regulatory approvals and regulation. The Public Health (Tobacco Control) Regulations, in effect since July 2013, provides guidance for the manufacture, distribution, marketing and use of tobacco and tobacco products. These regulations bring Jamaica into compliance with the World Health Organization's Framework Convention on Tobacco Control, which the country ratified in July 2005.

See tobacco control at <http://www.moh.gov.jm/>

Competition Law

The Fair Trading Commission (FTC), an agency of the Ministry of Industry, Investment and Commerce (MIIC), administers Jamaica's Fair Competition Act (FCA). The major objective of the FCA is to foster competitive behavior and provide consumer protection. The Act therefore forbids arrangements that substantially lessen competition or behavior that results in the abuse of a dominant position. The Act proscribes the following anti-competitive practices: resale price maintenance; tied selling; price fixing; collusion and cartels; and bid rigging. The act does not prohibit mergers or acquisitions that could lead to the creation of a monopoly. However, the government has raised the possibility of enacting antitrust legislation. The FTC is empowered to

investigate breaches of the Act. Businesses or individuals in breach can be taken to court if they fail to take corrective measures outlined by the FTC.

Investment Trends

Jamaica, the third highest recipient of FDI in the Caribbean, attracted almost USD 700 million in foreign direct investment (FDI) in 2014, up from USD 654 million in 2013, and approaching the annual average recorded prior to the global economic crisis. FDI hit a 15-year low of USD 218 million in 2011 that almost doubled to USD 413 million in 2012. The country anticipates additional increases in FDI partly due to legislative and economic reforms that are improving the country's investment climate.

Tourism has driven FDI recently, as Jamaica's strong brand continues to attract investment. Notable tourism projects include the Marriott Courtyard (USD 130 million), Playa Hotel and Resorts (USD 85 million), and Moon Place Resort (USD 150 million). An additional USD 500 million in investments are in the pipeline, including the development of a hospital for medical tourism courtesy of Spanish investors. The government has also received five bids for Integrated Resort Development (IRD) projects. These mega-developments, regulated by the Casino Gaming Regulations 2012, require investors to invest at least USD 1.2 billion to develop 1,000 hotel rooms and demonstrate plans for another 1,000 in order to receive permission to establish gambling facilities.

Over the last five years, business process outsourcing (BPO), including call center and other technical support, has increasingly attracted local and overseas investment, and the government recently approved a five-year plan to expand the sector. North American businesses see the country's English speaking population, cultural affinity with and geographic proximity to the U.S. and Canada, and growing number of university graduates as strong reasons to relocate such operations to Jamaica's shores. U.S. firms dominate the 40 BPO companies operating in the country and account for most of the 17,000 jobs.

In late 2013, China Harbor Engineering Company (CHEC) took over the USD 610 million construction of a highway connecting Kingston with the north coast town of Ocho Rios. The Chinese outfit is designing, building, operating and financing the 67 kilometer toll road and will receive 1,200 acres of lands along the toll road for housing, commercial development and hotels in return. Chinese company Gao Zhen Real Estate & Development Co. Ltd, in partnership with the Housing Agency of Jamaica, is planning to construct approximately 30,000 affordable housing units across the island.

Jamaica is courting international investors for its proposed Logistics Hub initiative to take advantage of an expanded Panama Canal. As one piece of the puzzle, the government signed a long-awaited USD 600 million concession agreement with a CMA CGM led consortium in April 2015 to upgrade, expand, and operate the Kingston Container Terminal for thirty years. The concessionaire is expected to spend an additional USD 130 million to dredge Kingston Harbor to accommodate post-Panamax vessels. Separately, a USD 1.5 billion harbor and port facility to be constructed by CHEC is currently under negotiations and is expected to compliment this broader hub initiative.

The energy sector is expected to attract additional FDI as the country seeks to diversify its energy supply and reduce the high cost of electricity frequently cited as a binding constraint to economic growth. One U.S. company broke ground on a USD 90 million wind project in February 2015, while another U.S. company announced construction will begin in July 2015 on a USD 60 million solar farm. Both are receiving financing through the U.S. Government's Overseas Private Investment Corporation (OPIC). The monopoly electricity provider, Jamaica Public Service Company, intends to convert a heavy fuel oil (HFO) plant to gas and build a new 190 MW gas turbine plant. Two of the country's bauxite/alumina companies have also submitted proposals to construct new power plants.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	85 of 175	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	58 of 189	doingbusiness.org/rankings
Global Innovation Index	2014	82 of 143	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	USD 5,220	data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

Foreign Exchange

There are no restrictions on holding funds or on converting, transferring, or repatriating funds associated with an investment. Jamaica repealed the Exchange Control (Removal of Restrictions) Order in 1991, allowing for the Jamaican Dollar to be determined in the domestic foreign exchange market. The central bank (Bank of Jamaica) manages a floating exchange rate with no pre-determined path. The BOJ may intervene with the sales and purchases of foreign currency to smooth out demand and supply. Investment-related funds are freely convertible to regularly traded currencies, particularly into United States and Canadian Dollars and the Great Britain Pound. However, foreign exchange transactions must be conducted through authorized foreign exchange dealers, 'cambios,' and bureau de change. Foreign exchange is generally available and investors are free to remit their investment returns.

Remittance Policies

The country's financial system is fully liberalized and subject to market conditions. There is no required waiting period for the remittance of investment returns. Any person or company can purchase instruments denominated in foreign currency. There are no restrictions or limitations on the inflow or outflow of funds for the remittance of profits or revenue. While the central bank

intervenes with the sale and purchase of foreign currency to smooth out demand and supply conditions, the country does not possess the financial muscle to engage in currency manipulation.

3. Expropriation and Compensation

Expropriation is generally not an issue in Jamaica, and there are no outstanding cases. However, expropriation of land may take place for national development under the Land Acquisition Act, which provides for compensation on the basis of market value. The U.S. Embassy in Kingston is not aware of any expropriation-related litigation ongoing between the Jamaican government and any private individual or company. However, the U.S. Embassy has assisted investors who had property expropriated during the 1970's socialist regime, with a payment in one such case received as recently as 2010.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Jamaica has a common law legal system and court decisions are generally based on past judicial declarations. The Jamaican Constitution provides for an independent judiciary with a three-tier court structure. A party seeking to enforce ownership or contractual rights can file a claim in the Resident Magistrate or Supreme Court. Appeals on decisions made in these courts can be taken before the Court of Appeal and then to the Judicial Committee of the Privy Council in the United Kingdom. The Caribbean Court of Justice (CCJ) hears appeals in civil and criminal matters from common law courts within CARICOM member states such as Jamaica.

Jamaica does not have a single written commercial or contractual law, and case law is therefore supplemented by the following pieces of legislation: (1) Arbitration (Recognition and Enforcement of Foreign Awards) Act; (2) Companies Act; (3) Consumer Protection Act; (4) Fair Competition Act; (5) Investment Disputes Awards (Enforcement) Act; (6) Judgment (Foreign) (Reciprocal Enforcement) Act; (7) Law Reform (Frustrated Contracts) Act; (8) Loans (Equity Investment Bonds) Act; (9) Partnership (Limited) Act; (10) Registration of Business Names Act; (11) Sale of Goods Act; (12) Standards Act; and, (13) Trade Act. The commercial and civil divisions of the Supreme Court have jurisdiction to hear intellectual property claims.

Jamaica enforces the judgments of foreign courts through: (1) The Judgment and Awards (Reciprocal Enforcement) Act; (2) The Judgment (Foreign) (Reciprocal Enforcement) Act; and, (3) The Maintenance Orders (Facilities for Enforcement) Act. Under these acts, judgments of foreign courts are accepted where there is a reciprocal enforcement of judgment treaty with the relevant foreign state. International arbitration is also accepted as a means for settling investment disputes between private parties. Jamaica is a signatory to the New York Convention (the Convention on the Recognition and Enforcement of Foreign Arbitral Awards) which governs the recognition and enforcement of foreign arbitration awards. The Jamaican Arbitration (Recognition and Enforcement of Foreign Awards) Act enables foreign arbitral awards under the New York Convention to be enforced in Jamaica.

Bankruptcy

Jamaica enacted new insolvency legislation in 2014 that replaced the Bankruptcy Act of 1880 and seeks to make the insolvency process more efficient. The reform addresses bankruptcy; insolvency, receiverships; provisional supervision; and winding up proceedings. The law addresses corporate and individual insolvency and facilitates the rehabilitation of insolvent debtors, while removing the stigma formerly associated with either form of insolvency. Both insolvents and “looming insolvents” (persons who will become insolvent within twelve months of the filing of the proposal if corrective or preventative action is not taken) are addressed in the reforms. The act prescribes the circumstances under which bankruptcy is committed; the procedure for filing a bankruptcy petition; and the procedures to be followed in the administration of the estates of bankrupts.

The act contains provision for debtors to make proposal to their creditors for the restructuring of debts, subject to acceptance by the creditor. Creditors can also invoke bankruptcy proceedings against the debtor if the amount owed is not less than the prescribed threshold, or the debtor has committed an act of bankruptcy. The filing of a proposal or notice of intention to file a proposal creates a temporary stay of proceedings. During this period, the creditor is precluded from enforcing claims against the debtor. The stay does not apply to secured creditors who take possession of secured assets before the proposal is filed; gives notice of intention to enforce against a security at least 10 days before the notice of intention or actual proposal is filed; or, rejects the proposal. The 2014 legislation makes it a criminal offence if a bankrupt defaults on certain obligations set out in the legislation.

Jamaica moved up two places to 57 on the resolving insolvency ranking of the Doing Business Report, with bankruptcy proceedings taking just over a year to resolve; costing about 18 percent of the estate value; and having a recovery rate about 64 percent.

http://www.japarliament.gov.jm/attachments/341_The%20Insolvency%20Act%202014%20No.14%20rotated.pdf - Bankruptcy and Insolvency Act

Investment Disputes

While not a formal investment dispute, in 2005 the government implemented a levy on incoming telephone calls from overseas to finance a Universal Access Fund for e-learning activities in Jamaican schools. U.S. telephone companies protested this levy and requested Federal Communications Commission backing to persuade the Jamaican government to either remove the fee or level the playing field by imposing a similar fee on local companies. This dispute remains unresolved.

International Arbitration

Jamaica accepts international arbitration of investment disputes between foreign investors and the Government as well as with private parties. Local courts recognize and enforce foreign arbitral awards. The Caribbean Court of Justice (CCJ) serves as the international tribunal for disputes within the CARICOM Single Market and Economy. The Dispute Resolution Foundation and the Caribbean Branch of the Chartered Institute of Arbitrators both facilitate

arbitration. For countries such as the U.S. that have a Bilateral Investment Treaty (BIT) with Jamaica, the rules of this treaty apply for qualifying investors. Other foreign investors are given national treatment and civil procedures apply.

Disputes between enterprises are handled in the local courts, but foreign investors can refer cases to International Center for Settlement of Disputes (ICSID). There have been cases of trademark infringements in which U.S. firms took action and were granted restitution in the local courts.

ICSID Convention and New York Convention

Jamaica became a signatory to the International Center for Settlement of Disputes (ICSID) in 1965.

Jamaica is a signatory to the New York Convention (the Convention on the Recognition and Enforcement of Foreign Arbitral Awards), which governs the recognition and enforcement of foreign arbitration awards. The Jamaican Arbitration (Recognition and Enforcement of Foreign Awards) Act enables foreign arbitral awards under the New York Convention to be enforced in Jamaica. International arbitration is also accepted as a means for settling investment disputes between private parties.

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Duration of Dispute Resolution

The system has a long tradition of being fair, but court cases can take years or even decades to resolve. Challenges with dispute resolution usually reflect broader problems within the court system including long delays and resource constraints. Subsequent enforcement of court decisions or arbitration awards is usually adequate, and the local court will recognize the enforcement of an international arbitration award.

A specialized Commercial Court was established in 2001 to expedite the resolution of commercial cases. The rules do not make it mandatory for commercial cases to be filed in the Commercial Court and the Court has been largely underutilized by litigants.

Subsequent enforcement of court decisions or arbitration awards is usually adequate, and the local court will recognize the enforcement of an international arbitration award.

Jamaica ranked 117 in the 2015 Doing Business Report for the length of time taken for the enforcement of contracts in the courts.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

Jamaica is a signatory to the World Trade Organization (WTO) Agreement and is in compliance with most Uruguay Round obligations, including TRIMS obligations. The GoJ passed a suite of legislation referred to as "the Omnibus legislation" that took effect on January 1, 2014, fulfilling its WTO mandate and replacing incentives that were non-compliant with the WTO Agreement on Subsidies and Countervailing Measures.

Investment Incentives

The Fiscal Incentives (Miscellaneous Provisions) Act 2013 repeals most of the legacy incentive legislation and provides flexibility for new tax incentives to only be granted in relation to the bauxite sector, export free zone activities, the relocation of corporate headquarters, and Junior Stock Exchange listings. The Act also outlines the arrangement for transitioning to the new regime. Continuing beneficiaries may elect to keep old incentives such as relief from income tax and customs duty as well as zero-rated GCT status for imports.

Below are short descriptions of notable investment incentives that were recently enacted or remain in place.

Omnibus legislation - Provides tax relief on customs duties, additional stamp duties and corporate income tax. These benefits are granted under the following four areas:

- 1) The Fiscal Incentives Act: Targets small and medium size businesses and reduces the effective corporate income tax rate by applying: (a) an Employment Tax Credit (ETC) at a maximum value of 30 percent; and (b) a capital allowance applicable to a broadened definition of industrial buildings.
- 2) The Income Tax Relief (Large-Scale Projects and Pioneer Industries) Act: Targets large-scale projects and/or pioneering projects and provides for an improved and more attractive rate for the ETC. Projects will be designated either as large-scale or pioneer, based on a decision by Parliament and subject to an Economic Impact Assessment.
- 3) Revised Customs Tariff: Provides for the duty free importation of capital equipment and raw material for the productive sectors.
- 4) Revised Stamp Duty Act: Provides exemption from additional stamp duty on raw materials and non-consumer goods for the manufacturing sectors.

Urban Renewal Act: Companies that undertake development within Special Development Areas can benefit from Urban Renewal Bonds, a 33.3 percent investment tax credit, tax free rental income and the exemption from transfer tax and stamp duties on the 'improved' value of the property.

Bauxite and Alumina Act: Under this act, bauxite/alumina producers are allowed to import all productive inputs free of import duties, VAT and other port related taxes and charges.

The Foreign Sales Corporation Act: This act provides exemption from income tax for five years for qualified income arising from foreign trade. U.S. law through the Tax Information Exchange Agreement (TIEA) reinforces this incentive.

The Jamaican EX-IM Bank provides concessionary interest rate loans for trade financing, while the Development Bank of Jamaica offers reduced lending rates to the productive sectors. Special tax incentives exist for companies that register on the junior stock market.

Jamaica Free Zone Act: Under this revised Act, companies granted free zone status are permitted to import items free of customs duty, value-added tax and other port related taxes and charges. Profits earned are also free from income tax. To become eligible for these benefits, firms must export at least 85 percent of the goods and services produced within the free zone. This Act is slated to be repealed in 2015 at which time a new arrangement will be put in place.

Income Tax Act (Junior Stock Exchange): As of January 1, 2014, companies listed on the Junior Stock Exchange are not required to pay income tax in the first five years. This benefit will expire altogether on December 31, 2016.

Research and Development

Foreign firms are allowed to participate in GOJ-financed or subsidized research and development programs on the basis of national treatment. However, few opportunities exist for such programs.

Performance Requirements

No performance requirements are generally imposed as a condition for investing in Jamaica, and government-imposed conditions to invest are not overly burdensome. However, companies with Free Zone status must export at least 85 percent of their output. The government does not mandate local employment, although the use of foreign workers to fill semi-skilled and unskilled jobs is generally frowned upon, especially by trade unions. When requesting work permits for foreign workers, local employers must describe efforts to recruit locally. Still, the requirements to recruit labor are not excessively onerous.

Data Storage

The Jamaican government does not follow “forced localization,” requiring domestic content in goods or technology. There are no requirements to provide the government access to surveillance of data, and there are no restrictions on maintaining certain amounts of data storage within the country.

6. Right to Private Ownership and Establishment

Private entities, whether foreign or domestic, generally have the right to freely establish, own, acquire, and dispose of business enterprises and may engage in all forms of remunerative activity.

7. Protection of Property Rights

Real Property

Property rights are guaranteed by the Constitution. Jamaica has a system of registered titles set out in the Registration of Titles Act, which recognizes and provides for the enforcement of secured interests in property by way of mortgage. It also facilitates and protects the acquisition and disposition of all property rights, though working through Jamaica's bureaucracy can result in significant delays. In particular, it sometimes takes a long time for landowners to secure titles.

Approximately 55 percent of the land in Jamaica is registered, although a large percentage of those properties likely do not have current title, as many families who pass land ownership from parent to child often do not go through the proper legal channels due to the cost and time involved. The Government has made an effort to improve the percentage of land with clear title, but much work is left to be done.

Squatting is also a major challenge in Jamaica, where nearly 20 percent of the population lives as squatters. Three-quarters of squatters reside on government lands. Under the Registration of Titles Act, a squatter can claim a property by adverse possession (without compensating the owner for the land) if a person can demonstrate that he has lived on government land for more than 60 years, or on private property for more than 12 years undisturbed (including without any payment to the land owner).

The country's Doing Business Report ranking for ease of "registering property" fell to 126 due largely to the high costs involved. However, the country continues to outperform its Latin America and Caribbean peers in the number of procedures and time required to close a property transaction.

Registration of Titles Act -

<http://moj.gov.jm/sites/default/files/laws/Registration%20of%20Titles.pdf>

Intellectual Property Rights

Jamaica has one of the stronger IP protection regimes in the Caribbean, although legislative and enforcement gaps still exist. Jamaica is a member of the World Intellectual Property Organization (WIPO) and is a signatory of the Berne Convention. Jamaica and the U.S. have an Intellectual Property Rights Agreement and a BIT, which provide assurances to protect intellectual property. It is relatively easy to register IP, and The Jamaica Intellectual Property Office provides good assistance to parties interested in registering IP, and support investors' efforts to enforce their rights. Overall, protections across all types of IP are improving.

Law enforcement efforts to combat counterfeit and pirated goods are adequate on the ground, but border enforcement remains a challenge. IP violations tend to be more in relation to physical goods, while electronic IP theft is less common. Jamaica, along with several other Caribbean countries, have been cited in the last several years' Special 301 Report for the absence of compensation to performance rights organizations as well due to concerns regarding cable and satellite broadcasting of copyrighted network programming.

The country's trademark and copyright regimes already satisfy the WTO's Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), although the patent and design law is not yet TRIPS compliant. A new Patent & Designs Bill, including new rules and fee structures, has been drafted and is currently under review by the Chief Parliamentary Council of Jamaica. There is guarded optimism that Parliament will vote on the bill this year. The Geographical Indications Act (GI) of 2004 is now fully in force and TRIPS compliant, protecting products whose particular quality or reputation is attributable to its geographical origin. General law provides protection for trade secrets, and protection against unfair competition is guaranteed under the Fair Competition Act.

The Copyright Act complies with the TRIPS Agreement and adheres to the principles of the Berne Convention, and covers works ranging from books and music to computer programs. Amendments in June 1999 explicitly provide copyright protection on compilations of works such as databases and make it an offense for a person to manufacture or trade in decoders of encrypted transmissions. It also gives persons rights in encrypted transmissions or in broadcasting or cable program services a right of action against persons who infringe upon their rights. Draft amendments are currently being reviewed by the government to give effect to the provisions of the WIPO Copyright Treaty and WIPO Performances and Phonograms Treaty (the Internet Treaties) to which Jamaica acceded in 2002, and is expected to be passed in 2015.

A special unit of the police with support from Customs tracks and reports the seizures of counterfeit goods, valued at USD 15 million between April 2013 and April 2014. The most commonly counterfeited goods include CDs/DVDs, alcohol, cigarettes, clothing, handbags, pharmaceuticals, and lotions/creams. However, border enforcement remains a challenge, as customs officers do not exercise ex officio authority to seize and destroy counterfeit goods and rights holders must first be provided with visual samples of the suspect merchandise to verify the item as counterfeit, submit a declaration indicating the differences between the fake from the actual product, and provide an authorization to seize the merchandise.

Customs seeks to ensure that the Government does not suffer revenue losses nor bear the financial burdens related to storage and disposal of suspected IPR-infringing goods. Presently the Commissioner may grant up to ten days for a right holder to produce the required evidence and commitments before releasing suspected counterfeit goods that are in transit.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Resources for Rights Holders

Embassy point of contact:
Jeremy Slezak
Economic/Commercial Officer
876-702-6028
SlezakJD@state.gov

American Chamber of Commerce - <http://www.amchamjamaica.org/>

List of local attorneys: http://kingston.usembassy.gov/attorney_services3.html

Jamaica Intellectual Property Office - <https://www.jipo.gov.jm/>

8. Transparency of the Regulatory System

Jamaica's legal, regulatory and accounting systems are transparent and consistent with international norms, and Jamaica has adopted the new International Financial Reporting System. Proposed legislation is available for public comment and submissions are generally invited from members of the public for items considered to be controversial. A Fair Competition Act (FCA) was implemented in 1993, administered by the Fair Trading Commission (FTC). The main objective of the FCA is to prevent business interests and government policies from hindering the efficiencies to be gained from a competitive system (See Section 1 Competition Law).

There are laws and policies covering taxation, labor, health and other issues to avoid distortions or impediments to the efficient mobilization and allocation of investment. However, investors argue that the Redundancy Act, which specifies terms regarding severance payment, is a disincentive to investment. In 2001, the mandate of the Anti-Dumping and Subsidies Commission was expanded through the implementation of a Safeguards Act, which protects producers from import surges. The GOJ also established the Office of Utilities Regulation to oversee and regulate of country's utilities.

The approval process for investment projects has improved but still take a minimum of three months for Free Zone projects and over a year for green-field projects. Plans to reduce bureaucracy and improve transparency and customer service levels within the public sector are in development with multilateral funding support, but meaningful reform has been minimal to date.

The U.S. Embassy is not aware of any informal regulatory processes managed by NGOs or private sector associations or of any private sector and/or GOJ effort to restrict foreign participation in industry standards-setting consortia or organizations. However, in December 2004, the FTC implemented a non-legislative code of conduct governing the petroleum industry. The mandates of this code place restrictions on property sales and contracts between marketing companies and retailers, and are enforceable through fines levied by the FTC.

9. Efficient Capital Markets and Portfolio Investment

Jamaica has taken concerted steps since the 1980s to foster private sector activity. These reforms intensified in the 1990s, resulting in trade, financial and capital account liberalization. Credit is now available on market terms, and foreigners are allowed to borrow freely on the local market at market-determined rates of interest. While some sophisticated financial products remain unavailable, the private sector still has access to a variety of credit instruments. A relatively effective regulatory system has been established to encourage and facilitate portfolio investment. The Financial Services Commission and the Bank of Jamaica (BOJ) regulate these activities.

In 2014 the government passed a new Banking Services Act, under which the power to grant or revoke licenses for deposit-taking institutions is vested in the central bank, the Bank of Jamaica. The Act also contains provisions regarding the operation of financial holding companies. Jamaica has promulgated legislation to establish an international financial services center and be an offshore financial hub. The country is positioning itself as a mid-value competitor, concentrating on the provision of value-added services such as funds and trust administration.

Jamaica represents a relatively small portfolio investment market and as such there will be challenges for institutional investors who want to enter or exit large positions. The Jamaica Stock Exchange had an average daily trading value of about USD 600,000 in 2014 and market capitalization of almost USD 3 billion at the end of the year. The market for Jamaican global bonds is more liquid but increased demand could still have a major impact on price. Institutional investors therefore tend to be more active in the primary market. Trading in the foreign exchange market averages less than USD 50 million a day.

According to BOJ data, at the end of 2014 the country's stock of net portfolio inflows was USD 1.8 billion, an increase of USD 248 million relative to 2013. Debt securities (USD 1.5 billion) made up largely of government issued securities accounted for the larger portion of portfolio inflow. Equity and investment funds shares of USD 300 million, in both publicly listed and private companies, accounted for the remaining inflows.

Money and Banking System, Hostile Takeovers

At the end of 2014, there were 11 supervised deposit-taking institutions consisting of 6 commercial banks, 2 merchant banks (Licensed under the Financial Institutions Act) and 3 building societies. The number of credit unions shrank from 47 at the end of 2009 to 38 at the end of 2014. However, credit union membership increased to over one million for the first time. At the end of 2014, commercial banks held assets of over USD 7 billion. Non-performing loans were just over USD 160 million, or 2.3 percent of total assets. Five of the country's six commercial banks, including the four largest, are foreign-owned. After a financial sector crisis in the mid-1990s that led to consolidations, the sector has performed better. The regulatory framework is now in line with international standards. Legislation passed in 2013 enhanced the BOJ's regulatory powers.

Based on the Rule 404 of the Jamaica Stock Exchange (JSE), fully paid shares shall be free from any restriction on the right of transfer and from all liens. Two listed companies have clauses within their memoranda and articles of association that restrict foreign investors, but these

predate the JSE. JSE listing arrangements allow for 20 percent of issued share capital to be listed, but there is no requirement that stipulates that this threshold must be maintained after listing. The rules of the JSE and the Security Acts also have specific provisions relating to the process of takeover and mergers. There are no specific measures designed to protect against hostile foreign takeovers.

In 2009, Jamaica established a Junior Market for small and medium sized enterprises (SMEs) with capitalization of less than USD 5 million as a sub-set of the Jamaica Stock Exchange. At the close of 2014, the Junior Market listed 21 companies. The Junior Market has provided a way to create equity investing opportunities for smaller businesses by offering tax incentives for listed companies. As of 2014, companies listed on the Junior Stock Exchange are not required to pay income tax in the first five years. This benefit will expire altogether on December 31, 2016.

10. Competition from State-Owned Enterprises

Jamaican SOEs are most active in the agriculture, mining, energy and transport sectors of the economy. Of 190 public bodies, 82 are self-financing and therefore considered SOEs as either limited liability entities established under the Companies Act of Jamaica or statutory bodies created by individual enabling legislation. The Petroleum Corporation of Jamaica is one of the few public bodies allocating a portion of its budget to R&D, especially in the area of renewable energy.

Under Jamaica's procurement guidelines, SOEs must adhere to the provisions of the GOJ (Revised) Handbook of Public Sector Procurement Procedures and are expected to participate in a bidding process to provide goods and services to the government. SOEs also provide services to private sector firms. SOEs must report quarterly on all contracts above a prescribed limit to the Office of the Contractor General. SOEs generally do not receive preferential access to financing from state-owned investment vehicles with the exception of the PetroCaribe Development Fund, which precludes private sector entities from accessing its funding. Since 2002, SOEs have been subject to the same tax requirements as private enterprises. SOEs are also required to purchase government-owned land and raw material and execute these transactions on similar terms as private entities would.

Jamaica's Public Bodies Management and Accountability Act (PBMA) requires SOEs to prepare annual corporate plans and budgets, which must be debated and approved by Parliament. As part of the government's economic reform agenda, SOE performance is monitored against agreed targets and goals, with oversight provided by stakeholders including representatives of civil society.

Fiscal reforms have prioritized divestment of SOEs, particularly the most inefficient. In recent years the GOJ sold three sugar factories to Chinese firm COMPLANT (incorporated in Jamaica as the Pan-Caribbean Sugar Company); Air Jamaica to Caribbean Airlines (which resulted in the GOJ owning 16 percent of Caribbean Airlines); the Pegasus Hotel to local hoteliers (Quivin Group); and Wallenford Coffee to AIC International Investments. The GOJ has substantial holdings in Jamaica's oil refinery, some local tourist attractions and resorts, and a 19.9 percent stake in Jamaica Public Service Company (JPS), the island's sole electricity provider. Private firms compete with SOEs on fair terms and SOEs generally lack the same profitability motives

as private enterprises, leading to the GOJ absorbing the debt of loss-making public sector enterprises.

OECD Guidelines on Corporate Governance of SOEs

In 2012, the government approved a Corporate Governance Framework (CGF) to promote improved performance by SOEs. While Jamaican SOEs are not required to adhere to OECD Guidelines on Corporate Governance, the CGF is based on international best practices and principles of corporate governance.

Jamaica public bodies report to a Board of Directors appointed by the responsible portfolio minister. No general rules guide the allocation of SOE board positions, but some entities may allocate seats to specific stakeholders. Under the CGF, persons appointed to boards should possess the skills and competencies required for the effective functioning of the entity. However, some board members are selected due to political considerations.

Sovereign Wealth Funds

Jamaica does not have a sovereign wealth fund or an asset management bureau.

11. Corporate Social Responsibility

Corporate social responsibility (CSR) among many Jamaican companies remains a nascent concept. A 2007 ECLAC survey of four Caribbean countries, the most recent such survey for Jamaica, was coupled with a workshop that encouraged more companies to incorporate CSR practices into their business strategy. In 2013, the government provided additional financial incentives for corporations to support charity work through the Charities Act, under which corporations and individuals can claim a tax deduction on contributions made to registered charitable organizations.

Quite a few large publicly listed companies and multinational corporations in Jamaica maintain their own foundations that carry out social and community projects to support youth employment, reduce crime and fight corruption. The Private Sector Organization of Jamaica maintains a Corporate Governance Committee to promote best business practices to effectively compete in the global market. The Embassy is not aware of any independent NGO or business association whose primary mandate is to promote or monitor CSR.

A number of NGOs work on environmental education and advocacy as well as good governance initiatives and have achieved moderate success. There remain concerns among some in civil society that the lure of large foreign investment promising significant job creation trumps the government's broader social and environmental responsibilities with few repercussions.

OECD Guidelines for Multinational Enterprises

Jamaica is not an adhering government to the OECD Guidelines for Multinational Enterprises. However, the GoJ is in general agreement with such concepts and active civil society dialogue does occur when foreign interests operate in Jamaica.

12. Political Violence

Crime poses a greater threat to foreign investments in Jamaica than political violence. Violent crime, rooted in poverty, unemployment, and drug trafficking, is a serious problem in Jamaica, particularly in urban areas. Sporadic gang violence and shootings are concentrated in specific inner city neighborhoods, but can occur elsewhere. Extortion is a serious problem in certain urban commercial areas, and although rare, has also been known to occur on large construction project sites. In 2014, four employees of China Harbor Engineering Company (CHEC) were killed while transporting a USD 20,000 payroll for workers. In April 2009 small sporadic disturbances occurred in response to a new gasoline tax.

13. Corruption

Many Jamaicans believe that corruption is one of the root causes of Jamaica's high crime rate and economic stagnation. In 2014, Transparency International gave Jamaica a score of 38 out of a possible 100 on the Corruption Perception Index (CPI), one of the lowest scores in the Caribbean. According to the CPI, 85 percent of respondents in Jamaica felt that political parties were corrupt/extremely corrupt. That figure was 74 percent for parliament and 86 percent for the police force.

The Corruption Prevention Act defines a range of common law bribery offenses and acts of corruption that apply to all civil servants, including those not required to file declarations. Public servants can be imprisoned for up to ten years and fined as much as USD 100,000 if found guilty of engaging in acts of bribery, including bribes to foreign public officials. The legislation covers senior public officials and those working in sensitive positions, such as police and military officers. The legislation also contains provisions for the extradition of Jamaican citizens for crimes of corruption. The Proceeds of Crime Act allows for criminal and civil forfeiture and criminalizes money laundering related to corruption offenses. However, successful prosecutions for corruption are rare and the compliance rate for mandatory financial reports is around 52 percent.

Several government agencies seek to promote transparency in the public sector. The Major Organized Crime and Anticorruption Agency (MOCA), formed in August 2014, has the mandate to independently investigate official corruption and organized crime and report to the National Security Council through the Minister of National Security on matters of policy and performance. The Corruption Prevention Commission (CPC) oversees statutory financial declarations of public sector workers and investigates alleged acts of corruption. The Integrity Commission investigates corruption allegations for members of Parliament, and the Office of the Contractor General (OCG) seeks to ensure transparency and efficiency in government procurement. A new bill proposes to merge these latter three agencies into a single entity called the Integrity Commission, which is now under review by a joint select committee of Parliament. The bill's architects hope the new agency will marshal scarce resources more effectively by combining the investigative and prosecutorial functions in-house. However, more successful prosecutions would send a stronger signal to investors that the country is serious about illicit activity.

A key area of concern for corruption is in government procurement, on which the OCG serves as a watchdog. In 2014 after the OCG criticized the bidding process for a new power plant, the Inter-American Development Bank withdrew its financing support, effectively ending the project. A 2011 report written by the Contractor General about corruption in the Jamaican Development Infrastructure Program led to the resignation of Mike Henry, then-Minister of Transportation & Works. Draft procurement legislation expected to be debated in 2015 intends to expand the role of a new Public Procurement Commission, aimed at promoting efficiency in public procurement proceedings and the implementation of procurement contracts while promoting transparency and equity in the award of contracts.

There has been criticism that Jamaica's laws to combat corruption of public officials are not applied in an even-handed way. Still, in 2014, four prominent individuals, including a former senator, a businessman, a government projects manager, and a member of the National Executive Council of the governing political party were arrested and charged for fraud and corruption-related activities. During the same period, a senior superintendent of police was tried and convicted of corruption for attempting to use his office to influence a case before the court.

There are anecdotal reports that bribery is on the decline in many government service offices, including at the Registrar General's office, which issues marriage and birth certificates, as well as for the issuance of motor vehicle fitness certificates. According to a recent survey, bribe solicitation rates by the police have also decreased steadily between 2006 and 2012, pushing back upward slightly to 6 percent in 2014. Approximately 5 percent of Jamaica's total police force has been expelled for corruption and ethics-related concerns since 2008.

There appears to be bipartisan support for anti-corruption measures. At a recent conference organized by the Contractor General, the Attorney General Patrick Atkinson (on behalf of Prime Minister Portia Simpson Miller) and Governor General Sir Patrick Allen affirmed their commitment to combating corruption. Other "watchdog" organizations operating in Jamaica include Transparency International, Jamaicans for Justice, Families Against State Terrorism and the Farquharson Institute of Public Affairs.

U.S. firms do not tend to cite corruption as an obstacle to foreign investment, nor has the Embassy seen evidence of disproportionate application of corruption measures against foreign investors.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Jamaica has ratified major international corruption instruments, including the Inter-American Convention against Corruption and the United Nations Convention Against Corruption. Jamaica is not party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Resources to Report Corruption

Major Organised Crime and Anti-Corruption Agency (MOCA)
National Commercial Bank Building
Seventh & Eighth (7th & 8th) Floors, South Tower
2 Oxford Road
Kingston 5
Phone: +1 (876) 754-3435 / +1 (876) 906-6318
24hr Hotline: 1-800-CORRUPT (1-800-267-7878)
Email: info@moca.gov.jm

National Integrity Action
Physical Address: 6a Oxford Rd. Kingston 5
Mailing Address: PO Box 112 Kingston 7
Phone: +1 876 906 4371/ Fax: 876-754-7951
Email: info@nationalintegrityaction.org
Website: <http://niajamaica.org>

14. Bilateral Investment Agreements

Jamaica has a Bilateral Investment Treaty with the United States. According to the OAS Foreign Trade Information System, Jamaica has also signed bilateral investment treaties with Argentina, China, Egypt, France, Germany, Indonesia, Italy, Netherlands, Nigeria, Spain, Switzerland, United Kingdom, and Zimbabwe.

Bilateral Taxation Treaties

Jamaica signed a bilateral Income Tax Convention with the U.S. in 1981, which seeks to avoid double taxation while preventing income tax evasion. Jamaica also has double taxation agreements with Canada, CARICOM, China, Denmark, France, Germany, Norway, Sweden, Switzerland, and the United Kingdom.

Jamaica has not signed a Free Trade Agreement (FTA) with the U.S., but CARICOM signed a Trade and Investment Framework (TIFA) with the U.S. in 2013. In 2014 Jamaica and the U.S. signed an inter-government agreement for reciprocal information sharing as part of the implementation of the U.S. Foreign Account Tax Compliance Act (FATCA).

15. OPIC and Other Investment Insurance Programs

The Overseas Private Investment Corporation (OPIC) has targeted infrastructure, telecommunications, construction, tourism and renewable energy as priority sectors to support in Jamaica. OPIC provides medium to long-term financing to ventures with significant U.S. participation with guarantees or loans between USD 100,000 and USD 250 million per project. OPIC political risk insurance can insure projects up to USD 40 million. Historically, OPIC has financed many projects in Jamaica. Currently, the energy sector is receiving particular attention as part of the Vice President-led Caribbean Energy Security Initiative, and OPIC is currently

providing financing and political risk insurance for two large clean energy projects. Jamaica is a member of the Multilateral Investment Guarantee Agency (MIGA).

16. Labor

Jamaica had an estimated labor force of 1.3 million as of October 2014 with 14.2 percent unemployment. Women make up a slightly larger proportion of the labor force and account for 19.4 percent of the unemployed. Unemployment levels for 14-19 year olds (49 percent) and 20-24 year olds (33 percent) are significant. Most Jamaicans are employed in services including retail and tourism sectors, followed by construction, transport and communications. Since 1999 more Jamaicans have become trained in information technology, and the business process outsourcing (BPO) industry currently employs about 17,000 people. According to a World Bank study, migration to North America and the United Kingdom has led to a shortage of highly educated and experienced labor, including nurses, teachers. The education committee of the public/private Logistics Task Force is spearheading efforts to increase training to prepare the country's workforce in relevant technical fields as Jamaica looks to establish itself as a regional logistics hub. While there are no official statistics on the informal economy, anecdotal evidence suggest large and growing informality, with some estimates as large as 40 percent of the formal economy.

The law provides for the rights of workers to form or join unions and to bargain collectively, but it does not protect the right to strike. Jamaica has an active and relatively strong trade union movement with membership equal to an estimated 20 percent of the labor force, although the movement has weakened in recent years. Some unions are affiliated with the country's two main political parties while others remain relatively independent. Labor relations between workers and management have traditionally been adversarial, although both political parties have attempted to improve that relationship more recently. The law prohibits antiunion discrimination, although it is not uncommon for private sector employers to lay off union workers and rehire them as contractors. Labor law entitles protections to all persons categorized as workers, although it denies contract workers coverage under certain statutory provisions, such as redundancy benefits.

The Employment (Termination and Redundancy Payments) Act provides redundancy pay to employees who are let go with at least two years of continuous employment. Workers with up to ten years of employment are entitled to two weeks payment for every year worked, while workers with over ten years employment are entitled to three weeks payment except in cases such as firing for cause. There are no unemployment benefits in Jamaica.

Jamaica has an Industrial Disputes Tribunal (IDT) to which the Minister of Labor may refer disputes that cannot otherwise be settled, and arbitrators' decisions are final. The law denies collective bargaining if no single union represents at least 40 percent of the workers in the unit. Little unionized labor exists in Jamaica's free zones.

Unionized workers in the sugar cane industry protested in 2013 against planned redundancies at three sugar factories after a private Chinese company took over the former government-owned operations. In 2014, low levels of violence occurred when local workers on a hotel construction

site protested an influx of foreign workers. The government did not intervene directly in each case but encouraged dialogue and negotiations to run their course.

Jamaica has ratified most International Labor Organization (ILO) Conventions and international labor rights are recognized within domestic law. The government is committed to enforcing its child labor laws, although a lack of resources remains a challenge. Work is ongoing with ILO support to collect data on incidents of child labor, the majority of which occur in the informal sector. The government is under-resourced for investigations on worker abuse as well as on occupational safety and health checks. Still, incidents of these labor-related issues are not considered to be at alarming levels.

The government is currently adopting the ILO policy on HIV/AIDS in the workplace. In conjunction with the ILO and local stakeholders, the Government recently passed legislation guiding flexible working arrangements. Under the Work Permit Act, a foreign national who wishes to work in Jamaica must first apply for a permit issued by the Ministry of Labor. The law, which seeks to give first preference to Jamaicans, requires organizations planning to employ foreign nationals to prove that attempts were made to employ a Jamaican national.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

The Export Free Zones Act allows investors to operate solely with foreign exchange in activities such as warehousing, refining, manufacturing, redistribution, processing, assembling, packaging, and services, including insurance and banking. Incentives offered include a 100 percent tax holiday in perpetuity, no import licensing requirements, and exemption from customs duties on construction and raw materials, capital goods, and office equipment. Manufacturing companies operating in the Free Zones are allowed to sell 15 percent of their production on the local market with the approval of the responsible minister.

Duty-free zones are primarily found in airports, hotels, and tourist centers and, as with free zone activities, do not discriminate on the basis of nationality. The Kingston and Montego Bay Free Zones provide factory space for the above listed activities. Amendments have also been made to the Export Free Zones Act to allow for the establishment of Single Entity Free Zones, with individual companies now designated as free zones. The Kingston Free Zone has an Informatics Park. Free trade zone contact information is available to potential investors upon request.

The government intends to transition the operation of free zones to special economic zones (SEZs) by the end of 2015 to comply with WTO rules for middle-income countries under the WTO Agreement on Export Subsidies and Countervailing Measures by the end of 2015. A proposed model is outlined in a Green Paper on Special Economic Zones but is still subject to legislative review.

<http://www.miic.gov.jm/PDF%20Files/SEZ%20Green%20Paper%20-%20January%20%202015.pdf>

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

Economic Data	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2013	14.1	2013	14.3	www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	N/A		2013	472	
Host country's FDI in the United States (\$M USD, stock positions)	N/A		2013	<1	http://bea.gov/international/factsheet/factsheet.cfm?Area=258
Total inbound stock of FDI as % host GDP	N/A		2013	4.9%	Based on World Bank, UNCTAD data

*Jamaican government statistical data not available

Table 3: Sources and Destination of FDI

Jamaica does not publish information about sources and destination of FDI.

Table 4: Sources of Portfolio Investment

Portfolio investment data are not available for Jamaica.

19. Contact for More Information

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Kingston 6, Jamaica
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