

**ADDRESS
BY
HONOURABLE PRIME MINISTER
P.J. PATTERSON, P.C., Q.C.,
AT
LAUNCH OF NATIONAL EXPORT WEEK
AT
LE MERIDIEN JAMAICA PEGASUS
ON
MONDAY JUNE 8, 1998**

Salutations

National Export Week has over the past several years, established itself as an important part of the calendar of National events, which command the country's attention at all levels.

It has been my privilege to participate in so many of these occasions, that there is no need for the Minister of Technology to create a computer data base to document my involvement nor to make provisions for its annual updating.



It is a fitting co-incidence that National Export Week begins with a pre-occupation by all Jamaica, at the arrival of our Reggae Boyz, who having mastered the road to France, are now about to make their distinctive presence felt.

As we launch Export Week, Jamaicans at home and abroad are still basking in the triumph of our Spelling Bee Queen, Jodi-Anne Maxwell and her two colleagues who took Washington by storm.

These two achievements serve to underline that in today's world, we have to exploit our niche areas – whether it be in international sports or intellectual achievement. These successes further confirm that, despite our size, there is no height to which Jamaica cannot soar, once we pursue our goals with single mindedness of purpose and the exercise of our considerable national skills.

We tend to spend so much time in denigrating each other, that we are in danger of losing the capacity to realise our true potential, and worse yet, of always looking for a cloud whenever we glimpse a silver lining.

When the country secures a favourable financial rating, we attack those who did the assessment.

When Jamaica goes to the international financial market, and has its US\$250M Bond subscribed in full, at an attractive interest rate, the critics of macro-economic policies take refuge in silence.

Every one of us would wish to see Jamaica in the Finals on July 12th, and bring home the World Cup, but let none of us forget that of the 180 members in the United Nations, only 32 are in France and Jamaica is one of them.

We are getting an exposure on the World Stage , which is there for tourism, investment and exports to exploit. Let us take full advantage of it while we can.

There can be little doubt that the attainment of single digit inflation and exchange rate stability over the last two years, are major achievements.

We face the future with the confidence that the days of high inflation and excessive volatility in the exchange rate are happily behind us.

With the restructuring of the Banking and Insurance sectors, and the passage of more adequate regulatory legislation, I believe that we have passed the most critical stages.

We must build on these foundations and in the period ahead, move the economy forward on as wide a base as possible.

The reputation of Jamaicans for creativity, determination and adaptability, must more than ever before, characterise our response to the challenges ahead.

Mr. Chairman, we are at the closing years of the current century. The present reality dictates that we take concerted action now to properly equip ourselves to advance in the new millennium

The existing global environment imposes on us certain demands, which we ignore at our peril. It is already impinging on our traditional exports and will clearly determine our trade and economic prospects. The days of protectionism and preferential trading agreements are over. The realities dictate that we must prepare ourselves to compete with other countries in the world - large and small, developed and developing - on equal basis.

The path along which we embark has been charted in the National Industrial Policy. It recognises the critical importance of exports to the economy and clearly establishes the level of export performance required to achieve the targets set .

Let me remind you that if we are to meet the targets of \$4,000.per capita by the year 2010, then an export growth rate of 14% is required.

I do not believe that this an impossible target for your membership to achieve, since you have done so twice in the past five years.

For its part, this Administration is committed to working with you to ensure that the targets are attained.

I invite particular attention to some of what is already in place or currently being put in place, in terms of fiscal incentives, training, marketing and export promotion, as well as financing.

Government's response to the financial needs of the productive sector has been to lower the rates on funding available through the Agricultural Credit Bank, and the National Development Bank, where loans are now available at 13%, and in the case of the EXIM Bank, at 12%.

These interest rate levels have been introduced in a bid to spur production and to revive projects, which might have been, pigeonholed because of high interest rates.

Additionally, the National Investment Bank of Jamaica is now able to make Equity investments in existing and greenfield projects. This is in addition to their programme of debt restructuring, which is done in collaboration with the Commercial Banks.

While some companies have taken advantage of these facilities, there are others who complain about the criteria for access.

We all need to accept that any modern and successful business must have proper information including up to date financial statements. This is a criterion to qualify for access to the debt re-structuring programme and as such cannot be waived.

The National Investment Bank of Jamaica, in order to facilitate the process, has a programme to assist companies to prepare the necessary Financial Statements, but we will not make the funds available to any enterprise which has its own reasons for refusing to comply.

A new dimension has been forged by both the National Investment Bank of Jamaica and the National Development Bank, working in tandem with the EXIM Bank. This is a guarantee facility to finance raw material purchases.

The question of capital adequacy of the development banks has been identified as an issue. I am pleased to advise that the work commissioned by the Development Council, and to which the Minister of Finance and I referred in our respective Budget Speeches, has now been virtually completed under the direction of Hon. Errol Ennis.

Your Association has raised with me questions about the effectiveness of JAMPRO. All organisations at sometime or other need to take stock of themselves and assess their relevance in an ever-changing environment.

JAMPRO is no different.

Under the leadership of its new Chairman, Joe Matalon, that institution is embarking on a series of strategic planning sessions, designed to critically examine its role and to map a forward course for becoming more relevant and focussed in relation to the needs of the productive sector.

I urge you to accept JAMPRO's invitation to participate fully in their self-examination exercise.

Ladies and Gentlemen,

There are two important negotiations which are either taking place or about to start this year which are of great significance particularly to the exporting community. These are a successor Convention to LOME IV, scheduled to begin in September and the deliberations towards the creation of a Free Trade Area of the Americas.

As exporters in a changing and globalised world, you should be developing a keen interest in these negotiations and what prospects they hold for your export endeavours.

You should be putting your best minds to an examination of the ramifications of the current movement towards the creation of the Free Trade Area of the Americas, an event which is a mere six years away, but which will be a strong determinant of the economic future of the Caribbean region.

We have to integrate with the global economy, and move decisively towards a path of high and sustained growth.

We need to begin our preparation for integration into the world economy now. We must start to 'get our act together' now and eliminate as far as possible our competitive disadvantages.

We must take a longer term view and invest now so that we can have efficient and well-established production plants so that can compete with others as these markets open.

Indeed these international negotiations and discussions have been consuming a great deal of my own time and energies, because how Jamaica fares in the outcomes of these negotiations, is of utmost importance to our future economic well being.

As part of that on-going process, I leave the country in a few days for Europe, not only to discharge my national patriotic duty to cheer on the Reggae Boys, but also to conduct a number of bilateral talks with leaders on that Continent, regarding the position of Jamaica, the Caribbean, and the ACP group of countries on the outcome we expect and desire from LOME V.

It is of great importance for members of your association to, both individually and collectively, become actively involved in the various international initiatives currently on the agenda.

You will need to do so, because it is at that level that you will be afforded the opportunity to influence eventual outcomes.

We ought to remember also, that when these various economic enhancement pacts are finalised, it is your efforts, which will determine the extent to which the country benefits.

The world is now the market and it matters not to the world, from where it sources its products.

The only considerations are price, quality and timely delivery.

THE CHALLENGES AND OPPORTUNITIES

After thorough analysis, identification of the problems, application of prescriptions, provision of facilities and other considerations, the vision is clear, the need is urgent, and the time is now.

The country now deserves to reap some dividends from the incentives which have been put in place to stimulate production – the special interest rates, the technical assistance programmes, and special funding assistance.

Government's commitment is as strong as ever, and we do believe that we have kept our end of the bargain.

The country's needs in the areas of training and employment opportunities are urgent and the private sector must demonstrate a willingness to play its part.

With the strength of will, determination of purpose, patriotic fervour and a strong desire to succeed, the exporters can do it.

I have great pleasure in declaring open Export Week '98.