



JAMPRO
TRADE & INVESTMENT JAMAICA

ANNUAL REPORT

2020/2021



The purpose of this report is to provide the Houses of Parliament, partners, stakeholders and clients with information on the performance of the Jamaica Promotions Corporation (JAMPRO) for the 2020/2021 financial year and the prospects for the 2021/2022 financial year.



OUR VISION

To be a world class business enabler and promotions Corporation, making Jamaica the premier destination to do business.



OUR MISSION

Drive Jamaica's economic development through growth in investment and export.



OUR CORE VALUES

Integrity • Respect • Innovation • Excellence

The background of the page is a photograph of the JAMPRO building, a modern structure with large glass windows and a sign that reads 'JAMPRO TRADE & INVESTMENT JAMAICA'. A Jamaican flag is visible on the left side of the building. The text 'ABOUT THE CORPORATION' is overlaid in large, bold, yellow capital letters.

ABOUT THE CORPORATION

We are the premier trade and investment promotions corporation representing the Government of Jamaica. Established as a statutory body under the JAMPRO Act, 1990, we promote business opportunities in export and investment to the local and international private sector. In addition to facilitating the implementation of investment and export projects, the organisation is a key policy advocate and advisor to the Government in matters pertaining to the improvements of Jamaica's business environment. Jamaica Promotions Corporation is currently operating under the Ministry of Industry, Investment and Commerce (MIIC). The impact of JAMPRO's work on economic development is measured by the:

- value of capital expenditure (of clients facilitated by JAMPRO),
- number of gross new jobs created (by clients facilitated by JAMPRO),
- value of export sales (by clients facilitated by JAMPRO),
- client satisfaction score; and the
- Brand Perception Score.¹

¹ This is a measure of the perception of Jamaica's business brand locally and globally which is scored in alternating years.

OUR CORPORATE IMPERATIVES

ACTIVELY PROMOTE AND ENABLE EXPORTS AND INVESTMENTS

- Grow exports
- Grow investments
- Maximise linkage opportunities
- Conduct proactive research to guide decisions/strategies

BUILD AND MAINTAIN EFFECTIVE BUSINESS RELATIONSHIPS

- Increase awareness of Jamaica as a business destination
- Increase engagement with key and strategic stakeholders
- Increase awareness of JAMPRO

FOSTER AN ENABLING BUSINESS ENVIRONMENT

- Drive policy change and development
- Deliver effective services that add value to our customers
- Accelerate business facilitation

BUILD AN ENGAGED, HIGH PERFORMING, COLLABORATIVE TEAM

- Create a caring and empowered environment that fosters a satisfied team
- Strengthen the technical competencies to improve productivity
- Nurture a culture that embeds the core values



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CHAIRMAN'S MESSAGE



SEN. DON WEHBY, CD

The 2020-21 financial year found Jamaica grappling with living and doing business in the context of the COVID-19 pandemic, which disrupted the global economy and the livelihoods of many. However, the 2020-2021 financial year reaffirmed JAMPRO's role as an economic development facilitator.

While the period brought challenges, it also created an opportunity. The Jamaican government sought to place the country on a firm course of economic growth towards a more resilient and economically diverse country, better

equipped for difficulties that could arise. As an economic development agency, JAMPRO was well placed to ensure that the country was set on a strong path for economic recovery that would reap rewards for years to come.

I am happy to say that as a vehicle for growth, JAMPRO rose to the challenge by reassessing its corporate strategy to properly address the issues arising in local and international markets. This was not the time to waver, but to become more resolute in our drive to boost economic growth and to guide Jamaica towards Vision 2030. As a Small Island Developing State, we knew that the island was vulnerable to external shocks, and Jamaica's recent achievements at that time, such as a decreasing unemployment rate of 7.2% (Oct. 2019), higher FDI flows for Tourism in 2019 and a 45% increase in tourist arrivals in the last decade, and Jamaica's growing reputation as the best place to do business in the region, could be easily lost. Despite, this threat, the Government of Jamaica, JAMPRO and its key stakeholders stood ready to work together to ensure the economy would remain stable, even with the global downturn, resulting from the health crisis.

In tackling these issues, in September 2020, the Government disbanded what was dubbed the "super ministry", the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAF), producing instead a ministry more focused on the business of the country - the Ministry of Industry, Investment and Commerce (MIIC), led by Senator the Honourable Aubyn Hill supported by The Honourable Dr. Norman Dunn, who came on board in October 2020.

With uncertainty growing, action was also needed within JAMPRO to gain the most returns and to provide the support that was required to facilitate growth. The 2020/2021 corporate strategy would therefore guide JAMPRO to not only facilitate more investments and exports, and improve the business environment but would also ensure

that the Corporation was carefully assessing the needs of the economy, identifying high potential business areas and projects that could rapidly expand.

The strategies employed included:

- increasing JAMPRO's support for the agribusiness sector to attract and facilitate technology driven investment, increase linkages, and boost food security.
- focusing on moving Jamaica towards becoming a digital services-based economy through support of initiatives like the Global Services Sector Project, and the development of the National Global Digital Services Strategy.
- facilitating the development and export of new products in manufacturing, particularly those that helped meet the demand of the pandemic.
- increased collaboration with private and public sector organisations to advocate on behalf of clients to address challenges and remove roadblocks caused by the pandemic
- looking at new regional and international markets for business, and utilising initiatives like the Economic Diplomacy Programme and Honorary Investment Advisor programme to further engage the Ministry of Foreign Affairs and Foreign Trade, Foreign Services Officers, and key contacts internationally to promote Jamaica's business opportunities.
- improving project packaging to provide high potential ventures for investors.

Remaining at the forefront, was continued work to improve the business environment. Through the National Competitiveness Council, six reforms were completed to make doing business easier in Jamaica for local

and international businesses. The approval of the National Investment Policy (NIP) for tabling in Parliament in July 2020 was a major accomplishment towards the White Paper stage. Of importance, to contribute to the framework of the NIP, is defining the criteria for priority projects that will create significant economic impact. The finalisation of the National Business Portal (NBP) will soon be realised with the phase three buildout of the transactional platform to allow for online payment of services from development approval agencies. This is the efficiency in doing business in Jamaica we want to strive towards. Both the NIP and NBP are expected to significantly improve the facilitation of local and foreign direct investments.

JAMPRO's performance led to the Corporation being recognised locally and internationally, and I would like to congratulate the Executive Team and staff for their valiant efforts during what was a challenging but rewarding period. To the clients and stakeholders, thank you for your support during this year. We will continue to focus on doing the work that will make Jamaica the place to live, work, and do business.

There is still more to be done, but the Board of Directors is confident that the economy will grow. Financial year 2020-21 represented a significant pivot for our country, and JAMPRO, and I do believe that with the lessons learnt, JAMPRO and Jamaica will be set on an upward trajectory.



As an economic development agency, JAMPRO was well placed to ensure that the county was set on a strong path for economic recovery that would reap rewards for years to come.

BOARD OF DIRECTORS



Senator Don G. Wehby, CD
(Chairman)
Group CEO
Grace Kennedy Limited



Mr. Metry Seaga
(Deputy Chairman)
Managing Director,
Jamaica Fibreglass
Products Limited



Miss JoAnne Archibald
Principal Director, Ministry
of Culture, Gender,
Entertainment and Sports



Ms. Rochelle Cameron
Attorney at Law and CEO
Prescient Consulting
Services



Mr. Yoni Epstein
Founder Chairman and
CEO, Itel BPO Limited



Mr. Zachary Harding
Group CEO, Stocks and
Securities Limited



Mrs. Rita Symes-Hylton
Chief Executive Officer
Carita Jamaica Limited



**Mrs. Jacqueline
Stewart-Lechler, CD, JP**
Director, Stewart Auto
Sales



Mr. Ian K. Levy, OD, CD
Chairman, Ian K. Agencies
Limited



Mrs. Lisa Soares Lewis
Founder and Chief
Executive Officer, Great
People Solutions



Ms. Mina Robertson
Research Fellow, Centre
for Leadership and
Governance, UWI



Mr. Delano Seiveright
Senior Advisor and
Strategist, Ministry of
Tourism



Mr. Garth Walker
Executive Chairman
Adam and Eve Day Spa
and Bumble Bee Digital
Corporation Limited



Mr. Christopher Williams
President and CEO
PROVEN Management
Limited

EXECUTIVE MANAGEMENT TEAM

The President, supported by four Vice-Presidents, leads the Executive Team that governs the operations at JAMPRO. The structure and functions of the divisions are as follows:

President's Division.

Includes the President's Office, Corporate Planning, Corporate Initiatives, and the Legal and Audit functions with responsibility for guiding the overall strategic direction and operations of the organisation. The Human Resources Department was transferred to the President's Division from Finance and Corporate Services Division in September 2020.

Sales and Promotions Division.

Led by the VP's office, the S&P Division focuses on promoting investment and export across sector teams, namely, Agribusiness, Global Digital Services (IT Enabled Services & Outsourcing), Tourism, Manufacturing and Mining; Logistics, Energy and Infrastructure; and Film, Animation and Music. The

Sales and Promotions Support Unit completes the division.

Marketing Division.

With the VP's Office at the helm, this division has responsibility for driving and developing key marketing channels including the Integrated Marketing Communications Department, Contact Management Centre, and four (4) Regional Offices focusing on Western Jamaica, Europe, North America (United States of America and Canada) and other New and Emerging Markets.

Research, Advocacy and Project Implementation Division.

Plays a critical role in conducting research, implementing JAMPRO-assisted projects, and advocating for reforms to the business environment led by the VP's Office, these functions are executed by the

Policy and Business Advocacy, Research and Business Opportunities, and Project Implementation Department.

Finance and Corporate Services Division.

Comprises the Human Resources, Finance, Administration and Management Information Systems and Procurement Departments. In response to the mandate to public entities, the Corporation on January 1, 2021, established a Procurement Department. Full functioning of the Department commenced on February 1, 2021.

EXECUTIVE MANAGEMENT TEAM

JAMPRO's divisions are each led by a member of the Executive Team, each of whom have had significant experience serving in their respective roles. The team leading the organisation for FY 2020-21 was as follows:

1. Diane Edwards, President
2. Norman Naar, Vice President, Sales & Promotions
3. Gabriel Heron, Vice President, Marketing
4. Shullette Cox, Vice President, Research, Advocacy and Project Implementation
5. Wendy Lyttle Pryce, Vice President, Finance & Corporate Services



Diane Edwards
President



Shullette Cox
Vice President
Research, Advocacy and
Project Implementation



Gabriel Heron
Vice President
Marketing



Norman Naar
Vice President
Sales & Promotions



Wendy Lyttle Pryce
Vice President
Finance & Corporate
Services

PRESIDENT'S MESSAGE

At the close of the 2019/2020 financial year, I registered my optimism for the future and JAMPRO's role in facilitating national economic growth and development. The achievements of the 2020/21 financial year certainly validated my optimism and bolstered confidence in the commitment and efforts of the team to meet and exceed targets even the COVID-19 pandemic disrupted economies globally.

JAMPRO-facilitated clients recorded US\$228.3mn in investments and 11,857 jobs, representing 103% and 139% achievement against targets, respectively. US\$767mn in exports, representing 114% of the target, was realised by clients. These achievements that surpassed 2020/2021 targets were supported by a 94% level of client satisfaction with the services offered by the Corporation. The high level of client satisfaction can be attributed to JAMPRO prioritising its clients during this period of uncertainty by heightening its one-on-one relationship with clients and aftercare facilitation.



CAPEX (103%)
US\$228.3MN



JOBS (139%)
11,857



EXPORTS (114%)
US\$767MN

PRESIDENT'S MESSAGE

A total of 29 companies, 47 film productions and 129 export clients contributed to CAPEX, jobs and export sales recorded. The ongoing Prime Account Management Strategy, Export MAX III and various signature programmes such as the Economic Diplomacy and Honorary Investment Advisor initiatives, packaging of investment ready and bankable projects, and key business reform initiatives, were amongst the driving forces behind the successful performance.

However, the most significant contribution to this year's performance was the teams' and organisation's ability to pivot and implement strategies to navigate the COVID-19 era. At the beginning of the financial year, I delivered a presentation via Facebook Live that outlined the Government of Jamaica's as well as JAMPRO's economic response to the pandemic, which set the tone for how the organisation operated through the year. The main components of JAMPRO's thrust were to increase support to the Agriculture, Manufacturing and Technology sectors; increase our facilitation and business matchmaking services and focus on upskilling Jamaicans through the Global Services Sector Project.

Internally, the team applied mitigation strategies that saw direct targeting of investors, ramped up online marketing campaigns, conducted sector-focused webinars and application of differentiated client relationship management techniques.

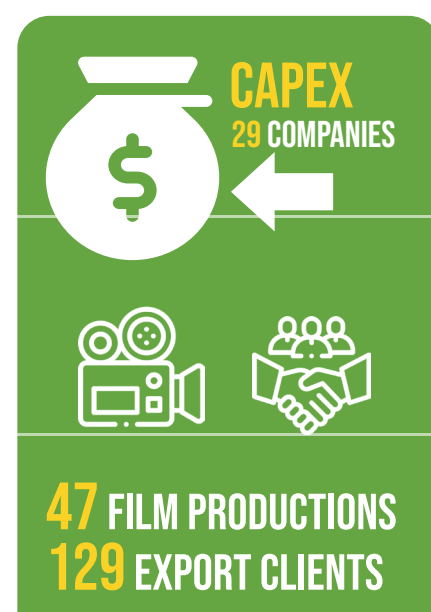
I am most proud of the latter as the JAMPRO team went above and beyond for our clients. Of note, was the team's ability to connect with importers of fresh produce, in target markets to assist with market gluts and establishing linkages between farmers with excess produce and cold storage, transporters and warehouse operators. Interventions with the Passport Immigration Citizenship Agency, Ministry of Labour and Social Security and Ministry of Finance and the Public Service provided solutions and expedited services to numerous clients within the Outsourcing and Tourism sectors. Overall, the strategy employed by the team, focused on local direct investment, export development, aftercare and investor facilitation and promotion.

I would also like to congratulate the Sales & Promotions Team, whose considerable efforts facilitated worldwide recognition in the form of the Corporation copping four (4) of

the world's premier business awards for 2021 - the Stevie® Awards.

During the year, I had the opportunity to serve as part of the government's Economic Recovery Task Force, Chaired by Dr The Honourable Nigel Clarke. The Task Force produced a detailed report, that was accepted by public and private sector, with recommendations to rebuild a resilient Jamaica.

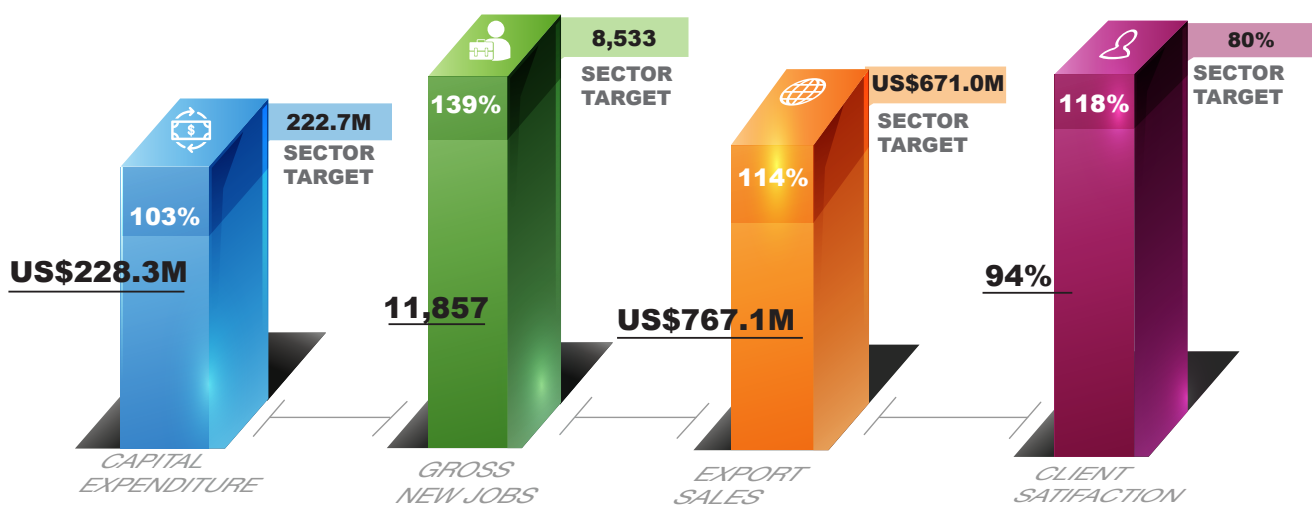
Armed with this blueprint, I am beyond optimistic and am confident that the JAMPRO team will remain responsive to opportunities and challenges as we look to emerge from the pandemic and continue to facilitate investment, jobs and exports that redound to national economic development.



CORPORATE PERFORMANCE & ACHIEVEMENT AGAINST TARGETS

FY 2020/2021 PERFORMANCE SUMMARY

During the financial year, JAMPRO's focus on securing foreign and local direct investments, increasing export sales, and delivering tailored aftercare services to its clients saw the generation of US\$228.3mn in investments (LDI & FDI) and the creation of 11,857 jobs, representing 103% and 139% achievement against targets, respectively. Export clients facilitated by JAMPRO generated a total of US\$767.1mn in export sales, representing 114% of the target.



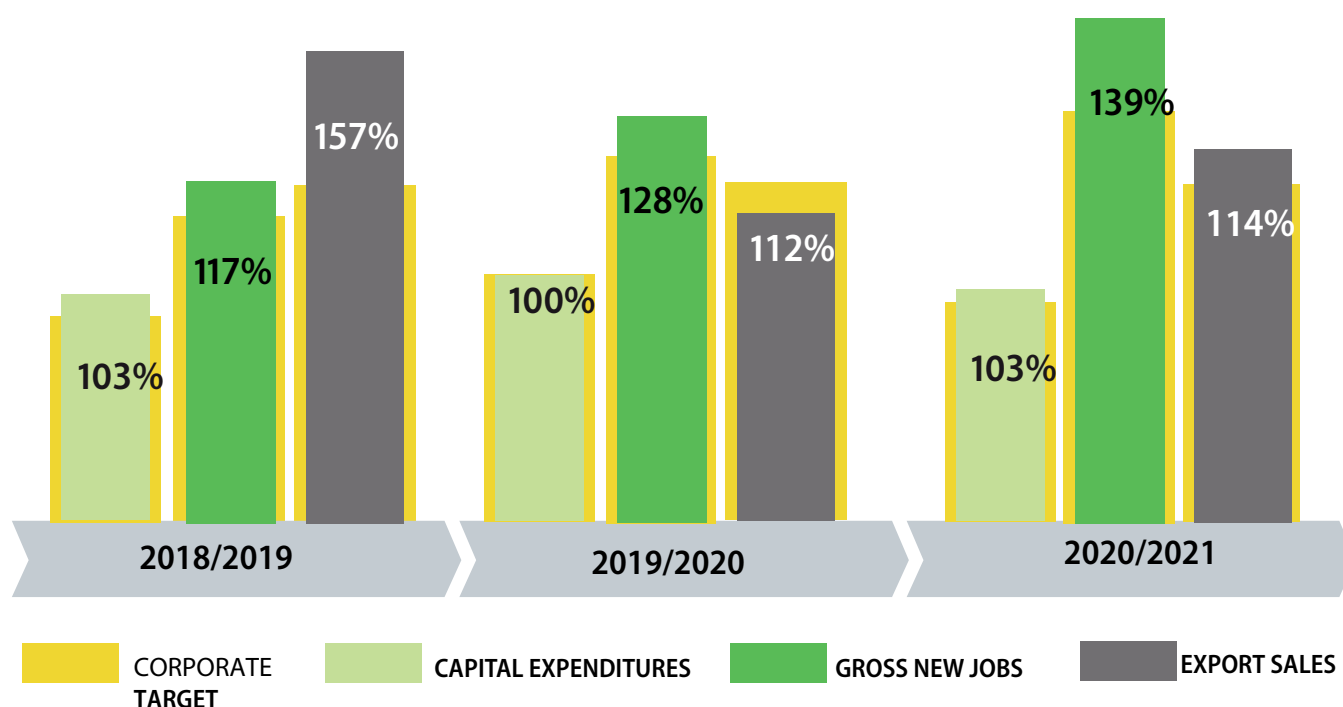
Client Satisfaction Survey

JAMPRO's ability to pivot and implement strategies that placed its clients' interests at the forefront, during a period where they were navigating the negative effects brought unto their operation by the novel coronavirus, were deemed integral to the Corporation receiving a high level of satisfaction from clients.

JAMPRO's clients recorded a 94% level of satisfaction with the services offered by the Corporation representing 118% achievement against the target for the period.

Whilst the pandemic impacted the value of capital expenditure on investments and the number of jobs, resulting in a decline in both when compared to the previous years, the almost equivalent value in export sales during the period is noteworthy

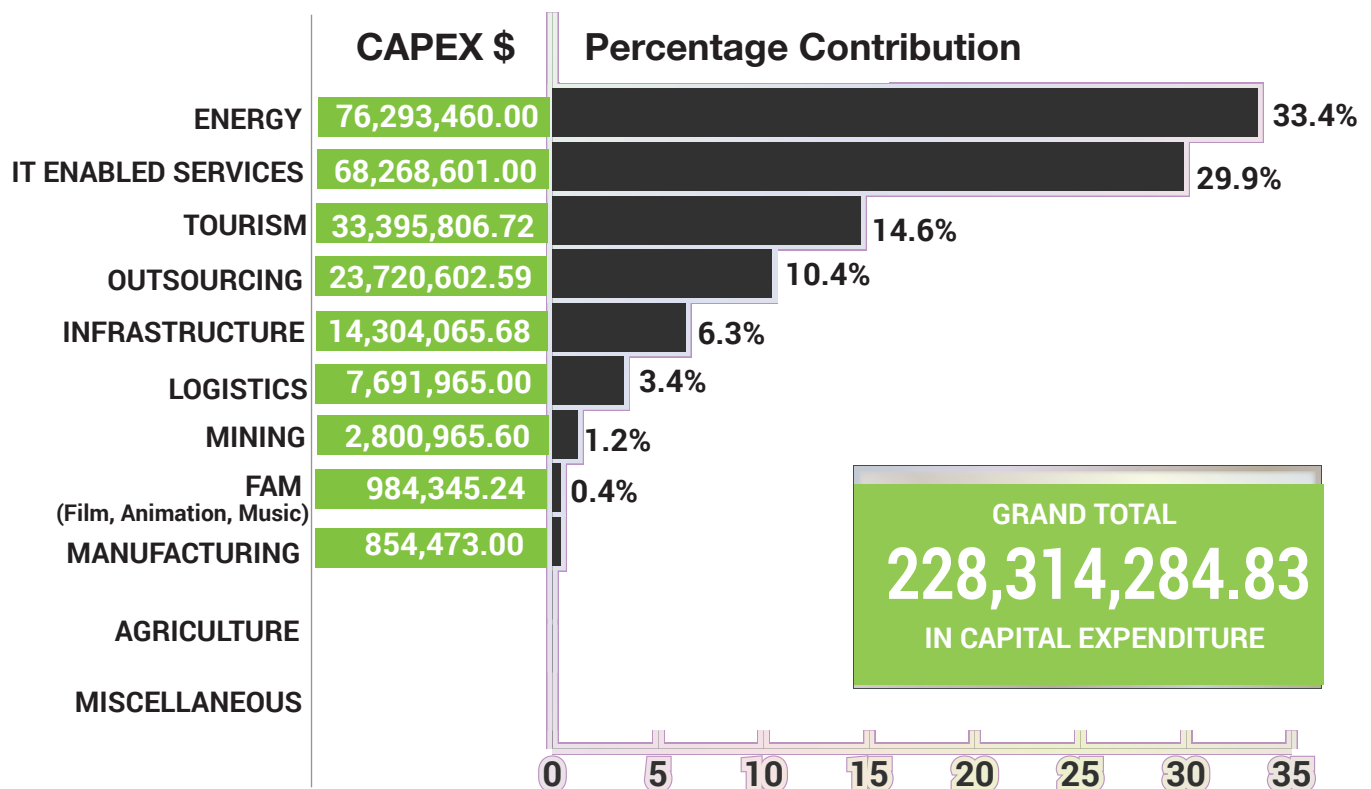
Corporate Achievement (%)



	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Fiscal Year 2018/2019	US\$625.5M	US\$646.6M	14,516	16,540	US\$534.7M	US\$837.6M
Fiscal Year 2019/2020	US\$659.0M	US\$659.2M	17,071	21,774	US\$905.5M	US\$797.4M
Fiscal Year 2020/2021	US\$272.7M	US\$228.3M	8,533	11,857	US\$671.0M	US\$767.1M

CAPITAL EXPENDITURE BY SECTOR/CLIENTS

JAMPRO's targeted client engagement approaches supported data capture on JAMPRO-facilitated capital expenditure during the period. The Energy, IT-Enabled Services, Tourism, and the Outsourcing sectors were the leading sectors contributing 33%, 30%, 15% and 10%, respectively, amounting to a total of US\$201.7mn (88%) in capital expenditure. JPSCo. upgrades and maintenance, Cable and Wireless and FLOW Upgrades, H10 Hotel - Ocean Coral Spring, and Ibex Portmore were the clients making the largest investments during the period.





Energy

JPSCo's upgrade and maintenance activities were the sole contributors to the 33% (US\$76mn) CAPEX contribution by the sector. There were no Requests for Proposal issued by the Office of Utilities Regulation (OUR) during the fiscal year, therefore, no new energy projects came on stream.



IT Enabled Services

Cable and Wireless and FLOW maintenance and upgrades to their telecommunications system continued to be the primary contributors to this sector, cumulatively contributing 30% (US\$68mn) of the CAPEX reported.



Tourism

Investments by H10 Hotel, Ocean Coral Spring, Oceana-ROK by Hilton Hotel, and Palm Beach Villas contributed to 15% (US\$33mn) of the CAPEX during the period, with H10 Hotel- Ocean Coral Spring being the primary contributor.



Outsourcing

Investments in the Outsourcing sector contributed 10.4% (US\$23.7mn) of the CAPEX. The strongest performers during the period were:

- Ibex Portmore
- Ibex Expansion (St. Ann)
- Itel BPO (Pawsey Place Expansion)
- Conduent/XEROX

Reinvestments undertaken by IBEX, and Itel BPO accounted for much of the reported CAPEX. Ibex launched two new BPO sites, in Portmore and St. Ann respectively, while Itel BPO expanded its Kingston operations.



Infrastructure

Sangster International Airport (MBJ) and Chalmers Commercial Limited were the primary contributors to the 6.3% (US\$14.3mn) infrastructure-related CAPEX.

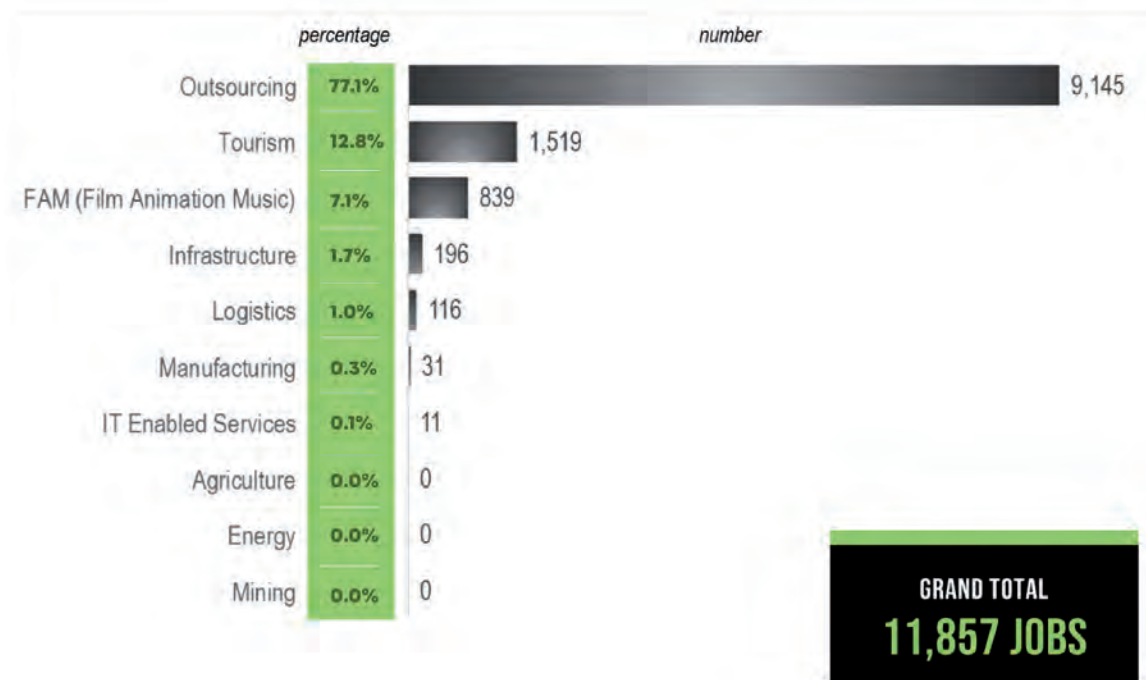
Local direct investment from Chalmers Commercial Limited, resulted in the development of over 90,000 sq. ft. of modern and cutting-edge commercial space in a purpose built BPO facility. MBJ continued working on its departure terminal and runway extension, completion target of 2021 into the first quarter of 2022.

Other Sectors

Logistics, Mining, Film, Animation, and Music (FAM), and Manufacturing contributed a combined 5.4% to the investments for the period. Logistics was the primary contributor at 3.4% of total CAPEX, attributed to the works at the Kingston Freeport Terminal Limited. The Agribusiness sector did not contribute to the generation of CAPEX during this financial year. It should be noted that the absence of data from the other sectors may not be reflective of the absence of investments, but more so to low or no reporting from companies on their activities.

NUMBER OF JOBS CREATED BY CLIENTS

The Outsourcing, Tourism, and FAM sectors produced 77%, 13% and 7% respectively of the total 11,857 jobs created during the 2020/2021 period.



Outsourcing

The Outsourcing sector produced 9,145 jobs representing the largest sector contribution (77%). Conduent/XEROX, Ibex Portmore, Itel BPO, and Sutherland Global were the largest contributors within the sector.

Tourism

The ongoing construction of the H10 Hotel- Ocean Coral Spring accounted for one 1,090 jobs which was the most significant contributor within the sector.

Film, Animation and Music (FAM)

A total of 839 jobs arising from documentaries, short films, television productions, movies, and music videos were attributed to this sector during the period.

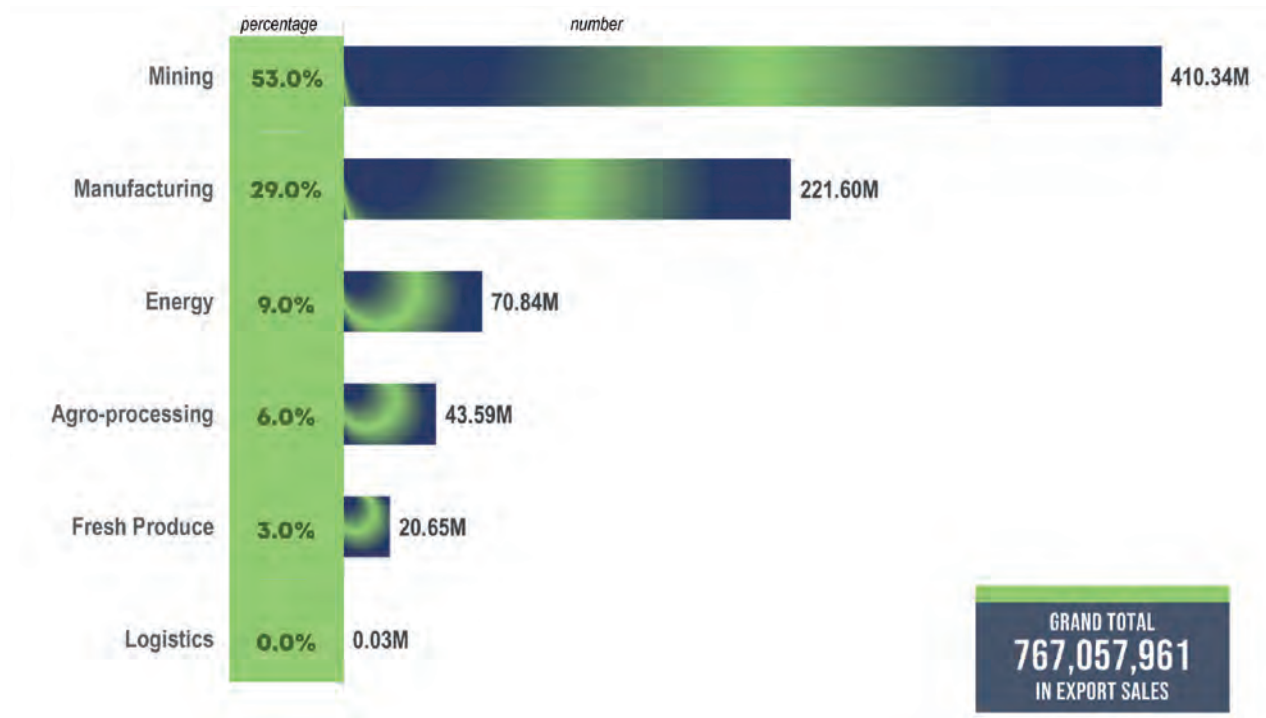
Infrastructure

The two per cent of jobs contributed (196) from the Infrastructure sector was mainly due to the employment of temporary construction workers at Chalmers Commercial Centre.

Other

Logistics, Manufacturing and IT-Enables Services contributed a combined 1.4% of the jobs created for the period.

EXPORT SALES BY CLIENTS



One hundred and twenty-nine (129) export clients generated US\$767mn in export sales, representing 114% of the export sales target. Mining, Manufacturing, Energy, Agro-processing, and Fresh produce accounted for 54%, 29%, 9%, 6% and 3%, respectively.

JAMALCO was the top performer overall with export sales valuing US\$171.2mn or 22.4% of total export sales and 41.9% of Mining exports. WINDALCO was the second highest exporter with mining exports valuing US\$139.6mn (34% of mining exports). Top performers in the other sectors included J Wray and Nephew (Manufacturing), PETROJAM Ltd (Energy), Rainforest Seafoods (Agro-processing), and Fairfield Farms (Fresh produce) representing 27.4%, 100%, 24.2% and 24.7% of their respective sectors.

For the financial year, 669 qualified export leads were generated of which 327 (49%) were converted. That is, 168 export orders and 159 repeat export orders.

SPECIAL ACHIEVEMENT

The considerable efforts expended by the Sales & Promotions Team was rewarded by worldwide recognition in the form of the Corporation copping four (4) Stevie® Awards for 2021.



Two (2) of these were individual awards attributed to the president of JAMPRO, and the others were in the categories for Sales Process (Gold), and Sales Distinction (Bronze).

The Stevie® Awards are the world's premier business awards. These awards have certainly endorsed the organisation's mission to be a world class business enabler and promotions Corporation, making Jamaica the premier destination in the Latin America and the Caribbean to do business.

Organisation Name	Nomination Title	Award	Category Group	Award Programmes	Year
Jamaica Promotions Corporation (JAMPRO) Kingston, Jamaica	JAMPRO, Kingston, Jamaica.	Gold Stevie Award	Sales Awards Achievement Categories	Stevie Awards for Sales & Customer Service	2021
	JAMPRO, Kingston, Jamaica.	Bronze Stevie Award	Sales Awards Distinction Categories	Stevie Awards for Sales & Customer Service	2021
	Diane Edwards, President	Silver Stevie Award	Sales Awards Individual Categories	Stevie Awards for Sales & Customer Service	2021
	Diane Edwards, President	Gold Stevie Award	Business Development Awards Categories	Stevie Awards for Sales & Customer Service	2021

FINANCIAL PERFORMANCE

GOJ SUBVENTION AND GENERATED INCOME

For the FY 2020-2021 the Corporation received a Government of Jamaica (GOJ) Subvention of J\$727.2 million and generated internal income of J\$35.3 million. The main source of internal income was the rental of office space at the corporate headquarters.

J\$727.2 M

GOJ SUBVENTION



REVENUE STREAMS



GENERATED INCOME

J\$35.3 M



SECTOR HIGHLIGHTS

SECTOR HIGHLIGHTS

AGRIBUSINESS

Mandated lockdown periods to manage the spread of COVID-19 resulted in the reduction in demand for agricultural outputs through hotels, restaurants, schools, retail and entertainment establishments. Additionally, limited access and cargo space restrictions to key export markets contributed to a glut in the local fresh produce market. Despite these negative effects experienced in the agribusiness sector due to the coronavirus pandemic, through targeted approaches and new strategies employed, they were minimised, and a framework to support a speedy recovery of the sector was put in place.



Both national and JAMPRO-driven strategies yielded positive results in the recovery of the agribusiness sector. The government's Buy Back Programme which involved the purchase, movement, storage, and distribution of the excess produce and its alignment to the "Say Yes to Fresh" campaign; the creation of new marketing channels to move produce through farmers' markets; the creation and sale of special food packages; and drive-through markets were effective initiatives which JAMPRO supported.

JAMPRO responded to the needs of the sector through i) Prioritisation of local direct investments (LDIs) while planning for longer-term resilience and growth in foreign direct investments (FDIs); ii) Increased Utilisation of virtual platforms to reach investors and buyers, and iii) Design and implementation of proactive initiatives, in collaboration with stakeholders, within the public and private sectors, to address challenges affecting procurement and sales. While there was no capital expenditure in the Agri-sector for the current financial year, a number of projects were packaged and opportunities nurtured.

AGRIBUSINESS

In a November 2020 article in Forbes Magazine, President Diane Edwards indicated that,

“With more investments into the sector, Jamaica will be able to meet the large demand that exists for the peppers in their natural state, as well as pepper mash which can be used to make sauces, seasonings and other products.

The next step for Jamaica is to create more value-added products from Scotch Bonnet peppers. This will not only have a positive impact on the economy by increasing export sales and creating jobs, but it will also diversify our exports in the agribusiness sector.



AGRIBUSINESS

JAMPRO prioritised those Agribusiness strategies which sought to:

1

develop and promote high-impact pre-packaged investment projects,

2

concentrate on products and brands with strong potential to impact export earnings,

3

utilise targeted channels and promotional and communications programmes to reach high potential investors, exporters, and buyers to generate new export and investment leads, and

4

inform advocacy agenda to reduce frictions and increase market access.

The establishment of the Food Security & Agribusiness Council (FSAC) was a key undertaking of the government during the year, with the primary mandate being to implement the recommendations of the JAMPRO-led 5-year Agribusiness Strategy.

JAMPRO continued to support other commodity groups, such as coffee, cocoa, yam, ginger, and coconut, to foster their development and promote exports. This support was highlighted by the rollout of the Jamaica Blue Mountain Coffee Day celebrations for January 9, 2021 executed in collaboration with the Jamaica Coffee Exporters Association (JCEA) and the Jamaica Agricultural Commodities Regulatory Authority (JACRA). The initiative delivered robust visibility to the sector globally through activations on various media platforms.

Work began on the development of a Coffee Marketing Strategy to position Jamaica Blue Mountain (JBM) and Jamaica High Mountain (JHM) coffees in primary target markets. Another critical activity was JAMPRO's leadership of the National Yam Oversight Committee through the Ministry of Agriculture and Fisheries (MoAF) to drive the development of a National Yam Strategy and facilitate the formation of a National Yam Association.

Mechanisms to support the adoption of climate-smart agricultural production practices, application of technologies to address water and drainage concerns, and access to suitable planting materials were enabled and will augur well for the future development of the industry.



GLOBAL DIGITAL SERVICES (GDS)



The Global Digital Services sector, which encompasses the Outsourcing industry, and the associated IT-Enabled Services industry, that is core to its functioning, collectively contributed 40.3% to capital expenditure during the 2020/21 financial year.

Upgrades to Cable and Wireless and FLOW were the primary contributors to JAMPRO facilitated ITES CAPEX (29.9%), whilst investments in the Outsourcing industry contributed 10.4% (US\$23.7mn) of CAPEX. Ibex Portmore, the expansion of Ibex (St. Ann), Itel BPO (Pawsey Place Expansion) and Conduent/XEROX were the strongest

performers during the period. Overall, industry practitioners continue to deliver quality services such as customer support, telemarketing, debt-collection, financial services, back-office and tech support in the centres located across St. James, Kingston and St. Andrew, St. Catherine, Manchester and St. Ann.

Players within the Business Process Outsourcing (BPO) industry had to innovate to counter the adversities occasioned by the pandemic. Being a heavily labour-intensive sector, the task of functioning at the required performance standards required agility of thought and strong lobbying support by JAMPRO and other stakeholders, on behalf of our clients.

JAMPRO was able to successfully lobby for consideration to be given to allow the SEZs to work-from-home (WFH), following from the initial WFH orders issued in March 2020. Facilitating this change required a deviation from the Customs Act to allow the SEZ to remove the necessary equipment from the Zone into the domestic (Customs) territory. An initial order was issued in March for three months and then again in June 2020. At that point, the global trend was for a longer-term allowance of the WFH orders and an extension of the Work from Home provision for the industry was extended for six months in December 2020 to end in June 2021.

JAMPRO's GDS portfolio is aligned with the strategy to improve Jamaica's competitiveness and viability in the evolving global ICT industry, in collaboration with the Global Services Sector Project (GSSP), National Outsourcing Coordinator and other stakeholders.

GLOBAL DIGITAL SERVICES (GDS)

The Inter-American Development Bank funded GSSP was in its second year of implementation in 2020, maintaining its objective to improve Jamaica's overall workforce capacity, providing quality training, improve human capital and generate quality employment opportunities within the industry. The following are key undertakings underway via the GSS project:

- Optimising processes, institutions, regulation and incentives framework to encourage an attractive and business friendly environment, including the development of a 5-year National Global Digital Services Strategy.
- Reskilling and upskilling talent to fill potential skill gaps that may occur due to the evolution of technology; as well as for higher-valued jobs, and leadership roles, including the enhanced job readiness direct training and train-the-trainer programmes, and a supervisory development apprenticeship programme, both being executed by HEART Trust/NSTA. There is also a matching-grant fund for short-term certification sponsored by companies in the industry, which is being managed by the GSSP.
- Strengthening the overall value proposition for the GSS to ensure we remain viable and competitive through the development and implementation of focused local and global campaign, the first phase of which is underway.
- Implementing incubator and accelerator programs for SMEs, that will encourage new entrants and successful growth of start-ups within the industry, which are currently being Conceptualised and an implementation partner being identified.



TOURISM

According to the United Nations World Tourism Organisation (UNWTO), in 2020 arrivals fell by US\$381mn (-74%) when compared to US\$1.5bn (+4%) in 2019 reflecting a US\$2tn loss in GDP and 100-120 million jobs at risk due to the pandemic. Recovery to 2019 levels is expected to take two and a half to four years.

Whilst Jamaica grappled with its own fall out, it welcomed one-third of its average level of visitors. Just over 1.1 million visitors arrived during the first 10 months of 2020, significantly less than the 3.4 million over the same period in 2019. Jamaica's tourism sector, being critical to Jamaica's economic recovery, remained amongst the leading earners of revenues for the country. The Ministry of Tourism implemented several strategies to mitigate against further loss and to rebuild the sector. These included but were not limited to:



- i. increasing the role of the Global Tourism Resilience and Crisis Management Centre in response to the global pandemic with the appointment of a special coordinator;
- ii. establishment of the Tourism Recovery Task Force to provide a recovery and growth stimulation framework for the sector;
- iii. provision of Free Online Training for Tourism Workers; and
- iv. the establishment of the “novel coronavirus (COVID-19)-resilient corridor”, restricting the movement of visitors in the Northern region of the island; running from Negril through to Port Antonio.

These efforts resulted in key successes for the country with the help of JAMPRO, other government agencies and private sector stakeholders, value-added services were extended to Jamaica Blue Skies in Negril as they opened their 24 room facility during the year. Value-added services were extended to various other clients/projects, comprising leisure, medical tourism, and the services portfolio thereby facilitating contributions to the overall jobs (1,519) and capital expenditure (US\$33.3 M) for the period. These included Gary Pulak Villa development, Begonia Cliff Hotel, Break Barriers, Kayak Nation, Wake Jamaica and Bioprist Medical School. Virtual inward missions and site visits were also undertaken to support investments in the sector.

A few priority and large-scale projects were placed on hold. Karisma Sugar Cane Bay Resort was to begin construction in 2020 but has been placed on hold. Both Princess Resorts and Amaterra Resort Development start dates were pushed back as financing was placed on hold, due to the pandemic.

INFRASTRUCTURE, ENERGY AND LOGISTICS

Infrastructure

According to the Planning Institute of Jamaica (PIOJ), during the period April to June 2020, construction declined by 14.5%, but grew by 7% in the July to September 2020 quarter. The average employment in the construction industry declined by 7.4% to 100,033 persons compared with 2019. The PIOJ has projected the Jamaican economy to grow by 7-9% for the April-June 2021 quarter. The favourable forecast is supported by construction growth and the anticipated increase in tourism arrivals. The expansion of the runway at the Montego Bay Jamaica Airport and the purpose-built development by Chalmers Commercial Limited were the primary contributors to the 6.3% (US\$14.3mn) infrastructure-related CAPEX. Additionally, the strategic initiative of focusing on bankable projects and investment banks yielded positive results with the engagement of Sygnus Group, whose projects JAMPRO is facilitating for completion within the upcoming financial year.



Key projects include:

- i. Caterpillar Headquarters (Financed by Sygnus)
- ii. Morant Bay Urban Centre
- iii. Port Authority Kingston Logistics Park (expansion)
- iv. Sygnus Industrial Park
- v. Sygnus Belmont Road (Corporate Office space)

Energy

According to the Global Energy Review 2021 study by International Energy Corporation (IEA), global energy demand in 2020 fell by 4%, the largest decline since World War II and the largest ever absolute decline. This was because of the travel restrictions, and government-imposed lockdowns – designed to halt the spread of the virus. The fall in demand, in combination with a price war between Saudi Arabia and Russia, led to a sharp fall in the price of oil. After opening the year at \$66 per barrel, prices slumped to a two-decade low of \$19.33 per barrel in April 2020 as the virus spread around the world.

INFRASTRUCTURE, ENERGY AND LOGISTICS

As the world trends towards Renewable Energy as a means of a cleaner source of energy, the Government of Jamaica through the Ministry of Science, Energy & Technology (MSET), finalised the Integrated Resource Plan (IRP), the 20-year road map for Jamaica's electricity investment sector. JAMPRO received a significant increase in enquiries around renewable energy opportunities (solar, wind, and hydro) in Jamaica during the 2020/2021 FY. This is ahead of the proposed Request for Proposals (RFPs) to be administered by the Ministry of Energy in procuring renewable energy to be added to the grid. The energy sector accounted for the highest contribution (33.4%) to CAPEX.

Logistics

Ongoing reinvestments by Kingston Freeport Terminal contributed approximately 3.4% to the CAPEX targets in the Logistics sector. With the COVID-19 pandemic, supply chain management systems were disrupted and the sharp increase in shipping rates, globally, posed a major challenge for the local logistics economy. The sector provided a minor contribution to the jobs target, accounting for 1%.



With more persons being at home during the pandemic, amid the slowing economic activities, COVID-19 led to a surge in e-commerce and accelerated digital transformation. The lockdowns became the new normal, businesses and consumers increasingly “went digital”, providing and purchasing more goods and services online, raising e-commerce’s share of global retail trade from 14% in 2019 to about 17% in 2020 (UNCTAD). This, however, did not translate into direct investments in the logistics sector in Jamaica. Instead, existing local Logistics players retooled, solidified their existing clients, and positioned themselves for when both local and internal COVID-19 protocols would be relaxed.

On the positive side, Jamaica became attractive for nearshoring opportunities because of its proximity to the North American market. As operations slowed, businesses started looking at ways to reach their customers faster and relocate their goods closer to market. This manifested in Ceva Logistics expressing interest in establishing an advanced hub in Jamaica, to be able to move goods very quickly to the end users on the eastern seaboard. JAMPRO will continue to work with key partners to facilitate investments within the Logistics sector.

MANUFACTURING & MINING

According to the Economic and Social Survey of Jamaica 2020, real value added (RVA) for the Manufacturing industry contracted, recording a decline of 5.4% compared with 2019. This was the largest annual decline since 1997 (6.6%). Real value added for the Mining & Quarrying industry fell by 21.5% relative to 2019 and accounted for 2.1% of overall Gross Domestic Product. This contraction was attributed to a decrease in Alumina and Crude Bauxite production.

Manufacturing

The manufacturing sector proved to be one of the most resilient sectors in the wake of the novel coronavirus, with many companies pivoting to supply the special products and services during the pandemic.

Of note, were the production of hand Sanitisers for export markets as well as for local establishments such as BPOs, hotels, and other enterprises. Other emerging needs filled by the sector included manufacturing of rubbing alcohol, hydrogen peroxide, paper towels, pharmaceuticals, hospital beds, medical testing booths, school desks with partitions, face shields, masks and household and industrial cleaning chemicals. Local manufacturers experienced challenges in sourcing packaging for the hand Sanitisers and other products due to logistics challenges affecting their overseas suppliers. Retail packaging was the hardest hit, making some items only available via bulk containers.



There was a high demand for Jamaican beauty products, both locally and internationally, influenced by the demand for do-it-yourself at home beauty care products. The interest in Jamaican beauty care products in the USA market, particularly Atlanta, continued to increase with new products added to the range being distributed by Natural Living International (NLI). The Jamaican products breaking into a segment of the Atlanta market and continued growth, is a direct result of JAMPRO's 2017 outward buyer mission in collaboration with NLI.

Export Max's client, Fosrich, leased a 60,000 sq. ft facility in Clarendon from the Factories Corporation of Jamaica for expansion of its new manufacturing arm, Blue Emerald Ltd. The company is now in the process of securing SEZ designation for the site. A Prime Account Management (PAM) client, Free Form Factory, will export Aluminium Hydroxide to Cuba on an ongoing basis, a relationship that begun with shipment of multiple containers.

MANUFACTURING & MINING

Through facilitating over 20 local exporters on online buyer platforms (CaribShopper, ECRM for USA market, Stamegna for European market) and hosting virtual meetings, JAMPRO maintained engagement with its manufacturing stakeholders and provided support to key focus areas including cannabis and bamboo. Parliamentary approval of the National Five-Year Manufacturing Strategy, which resulted from the work of JAMPRO, the Jamaica Manufacturers and Exporters Association (JMEA) and the portfolio Ministry, is intended to be a catalyst for the manufacturing sector to be a greater contributor to economic growth.

Whilst the cannabis sector was severely impacted by reduced tourism visitor arrivals, strategies to enhance the enabling environment continued in various ways. The Cannabis Licensing Authority (CLA) continued work towards the tabling of the Cannabis export regulations, establishment of interim measures for medical cannabis to be sold online, UN Commission on Narcotic Drugs (CND) voted to accept a WHO recommendation to remove Cannabis and Cannabis resin from Schedule IV of the Single Convention on narcotic drugs, launch of seven new Cannabis standards by the Bureau of Standards and the announcement of testing services to the Cannabis industry by the Scientific Research Council (SRC).



Mining

The newly approved National Minerals Policy (NMP) 2017-2030, with the integral Action Plan and Strategy was circulated during the financial year. The policy outlines the direction for Jamaica's minerals sector and is premised on the notion that a profitable and well-functioning minerals sector will contribute to sustainable development. Also, within the year, the Ministry of Transport and Mining (MTM) established a steering committee to develop an Industrial Minerals Policy (IMP); which will serve as an addendum to the NMP. Jamaica's main industrial minerals are non-metallic resources which include limestone, silica sand, sand and gravel, clays, marl, fill, gypsum, shale and pozzolan. As these minerals are major resources for development, the MTM is seeking to ensure that the extraction and management of industrial minerals are integrated into Jamaica's overall strategy for economic development.

Other developments included the formalising of arrangements with the Noble Group and the GOJ to reorganise the assets and operations of the alumina refinery, JAMALCO, into a holding company that will raise equity on the stock market, in keeping with the Jamaican

MANUFACTURING & MINING

Government's ongoing Privatisation programme. The United Nations Development Programme (UNDP), in collaboration with the Mines & Geology Division (MGD) commenced its second Advanced Entrepreneurial Training Workshop for Quarry Operators, including focus on a key topic namely valuation of limestone reserves. Seventeen (17) quarry operators and 12 bankers were trained in the first workshop. Additionally, the University of Technology (UTECH), launched Jamaica's first Bachelor's Degree in Mines and Quarry Management.



JAMPRO highlighted five (5) packaged opportunities in value-added limestone investment during an investment opportunities webinar in June 2020. Notable investments included Hodges (US\$5.2M expansion), and S&M Aggregates (US\$4.7M expansion). Both companies are in the process of purchasing new crushing plants and are anticipating additional investments in 2021/22. The execution of the webinar was the result of a Limestone Value Chain Analysis conducted by PwC to undertake research on global trends in limestone - including analysis of demand and the key markets supplying and purchasing limestone and its products. The research yielded a feasibility study on the advancement of the limestone industry and a business case for investments in expansion of the industry. This consultancy was sponsored by the Foundations for Competitiveness and Growth Project (FCGP), managed by the Planning Institute of Jamaica (PIOJ).

Ongoing stakeholder engagement is an integral component for lead-to-project generation and to this end, key stakeholders in the Manufacturing and Mining sectors were engaged in 2020/21. Principal engagements in the period included: 1) Bamboo Stakeholder Roundtable; 2) Limestone GOJ Stakeholders Roundtable; 3) Bamboo Working Group Meetings; 4) Industrial Minerals Policy Steering Committee and 5) Jamaica Castor Industry Association Board Meeting engagements.



FILM, ANIMATION AND MUSIC

Film, animation, and music are strong constituents of the cultural and creative industries and like other industries, have been impacted by the global pandemic. The cultural and creative industries contributed 3.1% of the global GDP and 6.2% of global employment in 2020 (UNESCO, 2022) which represents a decline when compared to the previous year.

Reductions in film production expenditure and jobs to the destination arising from the adjustments in domestic and international travel, and reduced capital expenditure and jobs associated with live music performances, given limitations on public gatherings, were contributory factors for a downturn in contributions in the film, animation, and music sector in Jamaica. Notwithstanding these challenges, JAMPRO was strident in its support to and facilitation of the sector resulting in the registration of 47 unique productions, including over 18 international productions, with the Film Commission. There were also 80 unique requests for the processing of the Productive Inputs Relief (PIR).



Some of the achievements, associated with a safe ‘reopening’ of the sector, can be attributed to the publication of the “Safe Return to Set” national protocol for filming which was a proactive approach to mitigating the pandemic’s effects. JAMPRO in collaboration with the Jamaica Film and TV Association (JAFTA), and the Association of Film Commissioners International (AFCI), published the guidelines based on international industry best practices. This assisted in establishing Jamaica as a regional response leader and instilled confidence in international and local productions that the industry was prepared to return to economic activity.

There were various noteworthy developments and achievements within the sector. Jamaica remains a prime location for destination filming demonstrated by being the location of choice for the top transactional productions, including the ‘Clarks and Jamaica’ documentary, 36 Grados’ ‘Maluma’ music video and Epic Films’ ‘Allianz Direct - Home Insurance Switch and Save’ television commercial. Of note, is that the most high-profile music videos produced locally in 2020/2021 belonged to international artistes Maluma and H.E.R. The high-profile music documentary ‘Clarks and Jamaica’ reflects the relationship of the Jamaican entertainment industry with the well-loved shoe brand, Clarks, who has since launched a Jamaica-specific product line for the shoes.

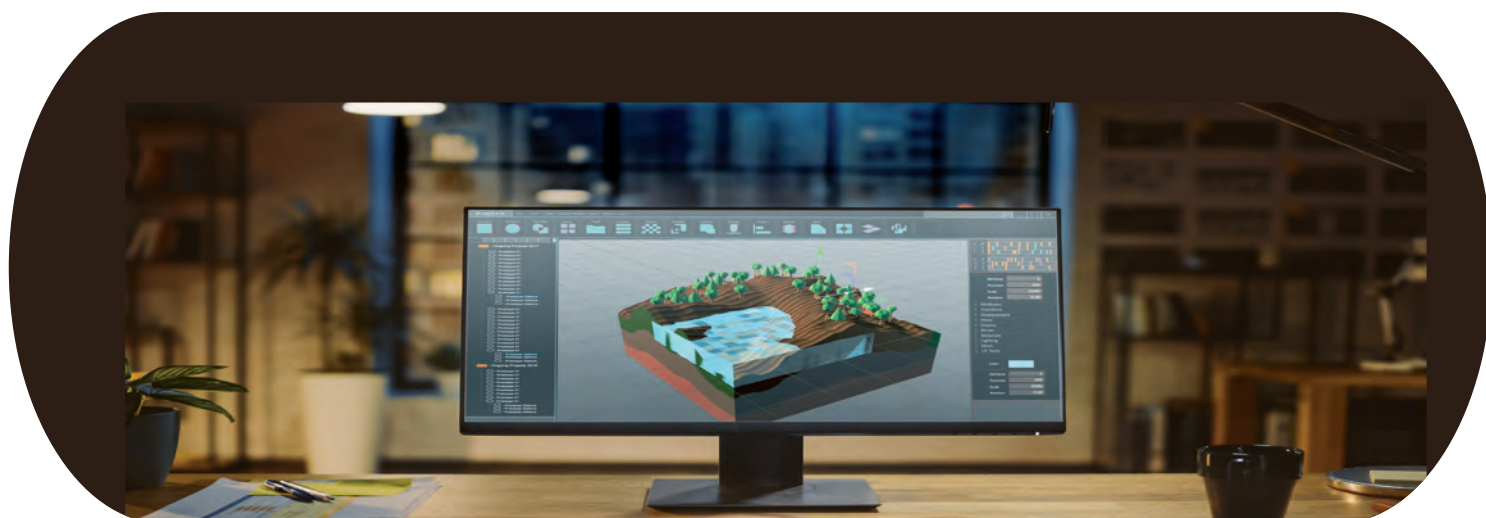
FILM, ANIMATION AND MUSIC

JAMPRO also delivered signature programmes and initiatives to support the sector and the transformation of the enabling ecosystem. The production of the JAFTA Propella films took place during November-December 2020 with the creation of 63 temporary jobs. The Feature Film Lab benefited from a tailored virtual B2B activity organised by JAMPRO in February-March 2021 which targeted over 60 UK companies specialising in development, production financing and sales, and distribution. There were 18 positive responses to the outreach. Two meetings were held with Polka Dot Factory who expressed interest in KENDAL and LOST. To support B2B opportunities and continuous engagement with the local sector and the international community, various meetings were held with several stakeholders during the period.

A partnership with Kingston Creative resulted in an open call being issued for creative projects in the categories of Film, Animation, Gaming, Software Development, and Virtual/Augmented Reality. There were 44 submissions with 39 being eligible for evaluation. Fourteen creatives were selected to participate in the 'Best Pitch Forward' to a panel of three investors. The project owners vied for development funds of J\$400,000. All fourteen project owners also participated in 19 B2B meetings organised by JAMPRO, with our pool of local investors during December 2020 and January 2021.

JAMPRO was awarded a US\$100,000 grant from the Caribbean Development Bank's Creative Industries Innovation Fund (CDB/CIIF) which served as a mechanism for screen-based practitioners across the region to derive Caribbean-based incentives and resources to support business-to-business collaborations and advance revenue-generating projects in the animation industry.

These, and other initiatives and opportunities that are in train, will support the rebound of the sector when COVID-19 containment measures are further relaxed.





IMPROVING JAMAICA'S COMPETITIVENESS

SECTOR DEVELOPMENT INITIATIVES

IMPROVING JAMAICA'S COMPETITIVENESS SECTOR DEVELOPMENT INITIATIVES

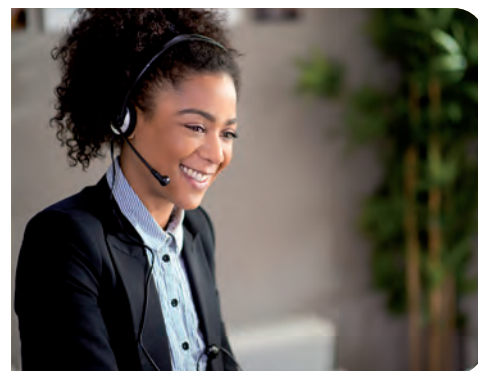
Agribusiness Strategy

The National Agribusiness Strategy developed in 2019, comprises programmes and activities designed to address the challenges inhibiting the expansion of the agribusiness industry. The Food Security and Agribusiness Council (FSAC) was established to provide oversight for the implementation of the strategy and significant steps were made during 2020 to determine a clear path towards implementation, including updating the Strategy, its Action Plan, and notes for Cabinet Submission, and amending the Terms of Reference (TOR) for the FSAC and its Sub-committees. The upcoming fiscal year will see the Strategy being advanced to Cabinet, the establishment of Sub-committees as well as securing funding for implementation and hiring of a National Agribusiness Coordinator.



Global Services Sector Project

The Global Services Sector Project (GSSP) had its second year of implementation in 2020 as a part of the 5-year plan to implement initiatives to boost the skills development and ecosystem for investment in digital-based outsourcing industries. The project has as its objective to improve Jamaica's overall workforce capacity, specifically as it relates to the Global Services Sector; providing quality training, improving human capital, generate quality employment opportunities in the sector, as well as increasing exports and Foreign Direct Investments on a whole. The project is funded by the Inter-American Development Bank (IDB) through the facilitation of a multi-lateral loan agreement for the project; the total loan amount is approximately US\$15 million.



SECTOR DEVELOPMENT INITIATIVES

Actions for the following items are currently underway via the GSSP:

- Reskilling and upskilling talent to fill potential skill gaps that may occur because of the evolution of technology; as well as for higher-valued jobs, and leadership roles, including the enhanced job readiness direct training and train-the-trainer programmes, and a supervisory development apprenticeship programme, both being executed by HEART Trust/NSTA. There is also a matching-grant fund for short-term certification sponsored by companies in the industry, which is being managed by the GSSP.
- Strengthening the overall value proposition for the GSS to ensure Jamaica remains viable and competitive through the development and implementation of a focused local and global campaign, the first phase of which is underway.
- Implementing incubator and accelerator programmes for SMEs, that will encourage new entrants and successful growth of startups within the industry, which are currently being Conceptualised and an implementation partner being identified.
- Optimising processes, institutions, regulation and incentives framework to encourage an attractive and business friendly environment, including the draft of a 5-Year National Global Digital Services Strategy.

Global Digital Services Gap Analysis & Strategy

The Global Digital Services Strategy (GDSS) was conceptualised to support diversification in value-added services in the area of Knowledge Process Outsourcing (KPO). Funding support through the Inter-American Development Bank (IDB)-sponsored GSSP facilitated the consultancy to develop the strategy between January 2020 and February 2021.

The strategy identified the areas within the global digital services sector that Jamaica could tap into to increase industry share in digital services in 2020 and designated a number of critical competitive factors that Jamaica needs to improve in order to move up the digital services value chain, such as business incentives, human capacity availability, ICT infrastructure, and operating costs. The Gap Analysis highlighted the fact that despite Jamaica's steady advancement in digital services, there was still too much dependence on traditional sectors and proposed nineteen (19) recommendations for Jamaica to pursue to better take advantage of growing global demand for outsourced digital services and higher-valued BPO services.

SECTOR DEVELOPMENT INITIATIVES

The recommendations and actions were all supported by the stakeholders in the sector and will be led by the Global Services Sector National Coordinator. The strategy was finalised and submitted to the Cabinet for approval in February 2021.

Manufacturing Strategy

The National 5-Year Manufacturing Strategy seeks to provide an action plan to Galvanise the various public and private sector stakeholders towards the creation of the business ecosystem necessary to grow and expand Jamaica's manufacturing sector and increase its contribution to the country's economic development goals.

Upon Cabinet's approval and subsequent to its tabling in Parliament in July 2020, the Strategy's Action Plan was Summarised, and sound timelines assigned in an effort for greater alignment with the Ministry's Manufacturing Strategy workplan. While the implementation of the Strategy will be driven by the Ministry of Industry, Investment and Commerce (MIIC), JAMPRO will proceed with the implementation of its actions as per the action plan. Work continues, through the ministry to secure funding to support the hiring of a Coordinator for the sector.

JAMPRO has also been very involved in the Manufacturing and Export Growth Team (MEGT), which is co-chaired by the Minister of State in MIIC, Hon. Norman Dunn and private sector representative, Karl 'Butch' Hendrickson. The MEGT is expected to be the vehicle through which the Strategy along with other export growth priorities will be implemented. At the end of the year, one of the major successes of the Team was the removal of the Customs Administrative Fee (CAF) on e-commerce items below US\$500 to help boost cross-border trade via electronic means.



SECTOR DEVELOPMENT INITIATIVES

Jamaica Screen Development Initiative

The Jamaica Screen Development Initiative (JSDI) (formerly, the Jamaica Film Fund) seeks to build the Jamaican film production industry, increase jobs, capacity and local expenditure by providing support to local productions and co-productions throughout various stages of development, production, completion as well as marketing and distribution.

Though still in the developmental phase, there were some advances in FY2020/21, which included the finalization of the notes for Cabinet Submission and requests for no objection from key ministries. The Ministry of Tourism and the Ministry of Culture, Gender, Entertainment & Sports (MCGES), as well as the Office of the Prime Minister gave their no objection for the development of the JSDI.

While the MCGES provided no objection to the initiative, they did raise concerns which resulted in the resuscitation of discussions for both entities to sign an MOU to cover the working relationship on film projects. The document was crafted and shared with MCGES for their review and signature and will be finalised within the upcoming fiscal year. For FY2021/22, it is expected that the JSDI will obtain the approval of Cabinet following which the initiative will be operationalised.



Yam Strategy

JAMPRO was appointed by then Permanent Secretary of The Ministry of Industry, Commerce, Agriculture and Fisheries (MICAFA) to lead the National Yam Oversight Committee (NYOC). A Committee was created to capitalise on untapped market opportunities locally and in Jamaica's main overseas markets. The NYOC aims to chart the future of yam production island-wide via the development of a National Yam Strategy and to spearhead the establishment of a National Yam Association.



SECTOR DEVELOPMENT INITIATIVES

Key milestones achieved during the financial year included:

- Submission of a proposal for funding to the JSIF/R.E.D.I. II Programme.
- Commitment from the Food Agriculture Organisation (FAO) to undertake the mapping of the yam value chain.
- Establishment of a working group by the FAO to lead the implementation of the project.
- Formation of a committee to lead the establishment of a National Yam Association.
- Development of a draft constitution and work plans for the registration and marketing of the association.

Green Economy Investment Strategy

Initiated by the National Environment and Planning Authority (NEPA) under their Plastic Waste Reduction Programme, the Green Economy Investment Strategy (GEIS) aims to build on the 2014 JAMPRO/UNCTAD Green Economy Scoping Study for Jamaica. The GEIS will seek to shift the investment process to support a greater percentage of investment flows towards the greening of the economy.

JAMPRO played an active role in the development of the GEIS as well as serving on the Technical Working Group that guided the development of the Strategy. For the upcoming fiscal year, it is anticipated that Cabinet will grant approval of the GEIS to facilitate its subsequent implementation.





IMPROVING JAMAICA'S COMPETITIVENESS

BUSINESS ENVIRONMENT INITIATIVES

IMPROVING JAMAICA'S COMPETITIVENESS BUSINESS ENVIRONMENT INITIATIVES

National Investment Policy

The National Investment Policy (NIP) was approved for tabling in Parliament as a Green Paper in Cabinet by Decision No. 35/20 in July 2020. Subsequently, national consultations were undertaken to provide inputs to support tabling as a White Paper. This included i) direct targeted requests for review and feedback to specific entities; and ii) the rollout of a public relations campaign which included radio interviews, placement of advertisements, and articles in the print media and on the JAMPRO website, as well as the use of JAMPRO's social media platforms.

Prior to the tabling as a White Paper, for FY 2020/21, recommendations from the NIP were selected for further development. These included defining priority projects and land divestment harmonisation and identifying and finding solutions for public-private-partnerships (PPP) and divestment gaps. A concept note was prepared to support the definition of priority projects and shared with MIRC and a working group was established to update and revise the land divestment and harmonisation policy.

National Business Portal

The National Business Portal (NBP) complements and supports the implementation of the NIP by housing the Business-to-Government (B2G) online interface for all Government entities involved in the investment or business pre-establishment process. Further advancements were made on the three phases of this project during FY2020/21.

Phase One

In partnership with eGov Ja. Ltd., an investor registration portal was developed and launched via a social media campaign in September 2020 on the Portal's main interface (www.dobusiness.gov.jm) allowing investors to view information on Government processes and register their interests or projects. The launch saw the NBP going live with information on approximately 36 B2G processes, ability for investors and potential investors to register their investment projects and ideas, and the functionality of the Government backend discussion forum. Post-launch work continued towards resolving anomalies that emerged on the site after the launch.

BUSINESS ENVIRONMENT INITIATIVES

Phase Two

Phase 2, which was completed in June 2020, saw the re-engineering of select processes (across seven ministries, departments, and agencies (MDAs) for automation/online transactions and the development of functional and non-functional requirements of the portal. Eight processes on the NBP were identified as those that would benefit both MDAs and investors by being re-engineered, automated and made transactional. These were 1) Accessing the Productive Input Relief for Health 2) Registration of Pharmaceutical Products 3) Accessing the Productive Input Relief for Entertainment/Creative Industries 4) Accessing the Productive Input Relief for Tourism 5) Accessing Productive Input Relief for Manufacturing 6) Accessing Productive Input Relief for Agriculture 7) Applying for Cannabis Licenses 8) Applying for the Divestment of Crown Lands. Film registration was later added as a 9th process.

Phase Three

Under Phase 3 of the project, the nine processes emerging from Phase Two will be developed as transactional sites on the Portal and includes integration with other GOJ online platforms, such as ASYCUDA. A Request for Expression of Interest, issued in September 2020 for this phase, resulted in applicants being shortlisted and the preparation of RFPs for solicitation in early 2021/22.

Key supporting activities during the period also included seeking government approval through submission of a Business Case for the Portal element of the project (Phase 3) to Public Investment Management Committee. A decision is anticipated early in the 2021/22 financial year. The National Business Portal Steering Committee was established to guide the implementation and create a sustainability plan for the NBP. Chaired by the Hon. Daryl Vaz, Minister of Science, Energy and Technology (MSET), the Steering Committee which is comprised of relevant public and private sector partners, held its first meeting in February 2021.



BUSINESS ENVIRONMENT INITIATIVES

ASYCUDA-Linked Exporter eRegistration (ExportJA) Platform

JAMPRO and the Jamaica Customs Corporation collaborated to implement the ASYCUDA Linked Exporter eRegistration (ExportJA) Platform. ExportJA was commissioned on August 3, 2020, with a pilot phase set to last three months. The collaboration between both agencies supports the National Single Trade Electronic Environment, which seeks to transform Jamaica's trade facilitation process. Emerging challenges are being addressed to ensure the system is user-friendly.

National Competitiveness Council

The National Competitiveness Council (NCC) continued to operate, hosting meetings on a quarterly basis with participation of all stakeholder partners/groups, as evidenced by the near full attendance to meetings and submissions of quarterly reports. With a new Cabinet named in September 2020, the Hon. Audley Shaw assumed Chairmanship of the NCC replacing the Hon. Daryl Vaz, who assumed a new portfolio of responsibility. One of the immediate priorities of the new Chair, was an expansion of the membership of the Council to include the Jamaica Confederation of Trade Unions (JCTU), as well as key non-governmental organisations representing women and youth, namely the Women Entrepreneurs Network of the Caribbean (WENC) and the Young Entrepreneurs Association (YEA), which have been making valuable contributions to the NCC.

At the end of the year, the NCC had identified sixty reforms that comprise the Business Environment Reform Agenda (BERA) and which are being implemented by various MDAs. Key to driving the implementation of these reforms have been the Technical Working Groups (TWG) and two supporting sub-committees.



BUSINESS ENVIRONMENT INITIATIVES

A short PR blitz occurred from April to June 2020 and the NCC website www.jamaicabusinessreforms.com was launched in May 2020. Under the blitz, the public was sensitised to three reforms that were implemented: the Online Tax Compliance Certificate application, the Port Security System, and the Online Electronic Business Registration Form.

Foundations for Competitiveness and Growth Project (FCGP)

During the year, Cabinet approved the Additional Financing arrangement with the World Bank's Foundation for Competitiveness and Growth Project (AF-FCGP) to a tune of US\$15mn. World Bank loan funding, which amounts to US\$10mn, is matched by a GOJ portion of US\$5mn to support initiatives over the course of three years to May 2024. This is a follow-on to the original FCGP loan of US\$50mn under which several key reforms were either implemented or are far advanced. Subsequent to cabinet's approval in September 2020, the World Bank Board approved the loan portion in February 2021. Facing a challenge of limited fiscal space to support spend, JAMPRO prioritised the projects for implementation such that those that will give the greatest impact will be among those to be initially implemented.

Additionally, to facilitate implementation, the NCC Secretariat has begun to undertake preliminary work so that projects will be ready to launch as soon as funds are released. Accordingly, Memoranda of Understanding (MOUs) between JAMPRO and respective MDAs were signed. A Technical Analyst was recruited to begin preparation of Terms of References for the various consultancies that will be undertaken. Further, given that several reforms include establishment or upgrading of online platforms, a Business Analyst was recruited to help prepare the technical specifications for the related hardware and software requirements as well as to guide all IT-based reforms.



BUSINESS ENVIRONMENT INITIATIVES

Implementation of Reforms

Over the course of the year, six new reforms were completed as follows:

1

The Ministry of Finance and the Public Service (MoFPS) reduced GCT to 15% at the start of the fiscal year.

2

The Ministry of Local Government, the National Environment and Planning Authority (NEPA), and the Municipal Corporations in Kingston & St. Andrew, St. Ann and St. James launched the use of the Jamaica Development Applications Portal (JDAP) using select users under a beta-launch.

3

The Ministry of Industry, Investment and Commerce, through the Companies Office of Jamaica, upgraded the National Personal Property Registry in a bid to allow for greater functionality for clients.

4

The Ministry of Economic Growth and Job Creation completed the online platform for the National Spatial Plan. The platform will allow access to data on multiple layers from key national bodies. (Funded by FCGP)

5

The Tax Administration Jamaica upgraded their Revenue Administration Information System (RAIS) Online platform to make the renewal of Tax Compliance Certificates for businesses automatic, based on specific criteria being met.

6

The Ministry of Local Government, the National Environment and Planning Corporation (NEPA), and the Municipal Corporations in Kingston & St. Andrew, St. Ann, and St. James along with the relevant commenting agencies approved new re-engineered processes for key development application processes, namely, planning, building, environmental and sub-division application reviews. Funding was provided through the Foundations for Growth and Competitiveness Project.

IMPROVING JAMAICA'S COMPETITIVENES BUSINESS ENVIRONMENT INITIATIVES

Other Policy Initiatives

National Sourcing Policy

The National Sourcing Policy (NSP) targets the establishment of mechanisms through which foreign investors can consistently purchase from local suppliers. In so doing, an enabling framework will be created to strengthen and sustain the nation's economic growth and development through strategic and focused initiatives that encourage and incentivise the use of local inputs in key industries. Essentially, the NSP seeks to increase linkages between Micro, Small and Medium Sized Enterprises (MSME) and multi-national corporations. The development of the National Sourcing Policy will be in alignment with cross cutting national policies, goals and visions as well as sector specific growth strategies, such as the Sustainable Development Goals, Jamaica Vision 2030, the MSME Policy and the National Investment Policy (NIP).

In July 2020, the Policy Concept Note for the NSP was developed and approved by JAMPRO's Board of Directors. Notes for a Cabinet Submission were also developed and submitted to MIIC for further transmission to Cabinet for their deliberation and approval. JAMPRO is awaiting the approval of the Cabinet to begin the Policy work required under this initiative. During the next fiscal year, the focus will be on crafting the policy and gaining consensus on its recommendations.

Joint Venture Policy

A Joint Venture (JV) Policy is seen as an imperative by the GOJ to protect the interests of citizens in any venture entered by the Government with the private sector. The JV Policy is undergirded by established and binding guidelines, performance standards, and sound principles which seek to minimise risks and enable positive outcomes to the long-term benefits of the Jamaican people. The JV Policy is a corollary policy to the Divestment and Public-Private Partnership Policy. In a bid to strengthen Jamaica's Public Investment Management System (PIMS), the



IMPROVING JAMAICA'S COMPETITIVENES BUSINESS ENVIRONMENT INITIATIVES

MoFPS engaged consultants to develop a Policy for Joint Ventures and Unsolicited Proposals. JAMPRO was an integral participant in stakeholder consultations and provision of feedback on the draft documents throughout the process. The expected outcome for FY2021/22 is approval of the Policy and implementation to support Joint Ventures and Unsolicited Proposals.

National Visa Policy

In 2019, the Ministry of National Security (MNS) undertook an initiative to strengthen Jamaica's border management capacity through the revision of its legislative and regulatory framework. This resulted in the development of a new visa policy. This new policy is aligned to economic development priorities and sets clear goals, objectives, and outcomes to bolster national security imperatives, continue incremental introduction of technology in border management, and makes recommendations to amend or introduce legislation to support the thrust to improve immigration processing. It also recognises the need to facilitate travel while securing the nation's borders with the ultimate goal being to provide "a secure, robust, modern, and technology-driven visa regime, which facilitates efficient cross-border travel and significantly contributes to sustainable development."



JAMPRO was significantly involved in processes that supported the development of the draft Green Paper and provided key inputs into the overall content of the policy, specifically in the business visa segment which was being developed for investors and potential investors to the island. JAMPRO provided feedback on the many iterations of the document, including input in the final draft document, which has since been revised and shared with stakeholders (such as the Attorney General's Chambers) for their review and comments prior to submitting to the Cabinet. It is anticipated that for the FY2021/22 the policy will be approved by Cabinet and the business visa will be rolled out for investors.



SIGNATURE PROGRAMMES

SIGNATURE PROGRAMMES

ENTERPRISE DEVELOPMENT FOR EXPORT GROWTH (EXPORT MAX)

The Enterprise Development for Export Growth, Export Max, is a three-year programme geared towards providing focused capacity building, advocacy, and market penetration support to exporters and export ready firms. The third iteration, Export Max III, targeted fifty companies and is being undertaken through collaboration involving JAMPRO, Jamaica Manufacturers and Exporters Association (JMEA) and the Jamaica Business Development Corporation (JBDC).

Export Max III targets a group of Jamaican exporters and export ready firms for in-depth capacity development and export market penetration support. The initiative is geared primarily to those firms operating within the priority sectors such as agro-processing, manufacturing, creative economies, and services (professional services and education).

Navigating COVID-19

During the year under review, the Programme partners and members of the cohort were negatively impacted by the effects of the COVID-19 pandemic. The Programme undertook a survey to assess the impact of the pandemic on members of the cohort, the opportunities to pivot, and the assistance required. Of the forty-eight (48) members who responded to the survey, the collective issues raised were i) slow paced or non-existent business prospects, ii) financial constraints, including difficulty in collecting receivables, and iii) limited production due to inability to source raw materials. Notwithstanding the difficulties faced by many during the period, some companies did relatively well. The Programme offered support to the companies by introducing them to and assisting with getting set-up on e-commerce platforms to boost sales as well as building their digital marketing presence. Some companies used the opportunity to employ strategies to pivot and adapt to new environment they found themselves in.

The following are participants of the Export Max III Programme and some of their evolving strategies:

- Mask Manufacturing - Bresheh and Sam's Lechat
- Hand Sanitiser production - Morgan's Creek, KRB Lea Rum, True Shades and Hair4Daze
- Targeting local distributors for Supermarket trade - Spring Gardens Processors

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ENTERPRISE DEVELOPMENT FOR EXPORT GROWTH (EXPORT MAX)

- Development of a new line of an Immune Boosting Drink - Pearl Brands Distributors and Kings Jamaican Wellness Product
- Manufacturing of an anti-bacterial soap- Bloxburgh Gourmet
- Las-bee Producers started to produce a new line of honey infused with garlic and lemon
- Eco Farms started to produce and supply honey sticks for cold & Flu

Buyer Missions

A key component of the programme is the participation in overseas buyer missions. In the face of travel restrictions, the Programme had to pivot to ensure that participants were able to conduct missions to attract buyers. The Programme was able to utilise B2B platforms to arrange buyer meetings. In this regard two buyer platforms were engaged. They are Stamegna Retail Management, a European based company and ECRM, an American based company. Eight Export Max III clients participated in 64 buyer meetings. Two of the companies reported a gain of contracts under the Stamegna B2B missions.

The ECRM platform was effective in matching three local vendors with good buyers from the USA and Latin America, and in the generation of strong export leads. One of the three participants, Journeys End Wines, participated in thirty-one B2B meetings with buyers based in the USA, Brazil, Chile, Paraguay, and Bermuda. The meetings culminated in the generation of six strong leads for Journeys End Wine.

Jamaica Fibreglass Products and New Moon Furnishings also had contract manufacturing opportunities emerged through participation in the online B2B meetings. New Moon Furnishings had interests in the diversification of its educational aids.

Mentorship Programme

In keeping with the Export Max III Mentorship Programme's mission of guiding local MSMEs on the path of becoming export-ready, Export Max III officially launched its Mentorship Programme during February 2021. The initiative is being led by the Jamaica Manufacturers and Exporters Association (JMEA). The Programme follows a Big Brother - Big Sister Alliance for Export Growth concept and will facilitate a cohort of forty-nine (49) mentee companies. The companies have been paired with mentors from established entities across various industries and sub-sector groups. The participants benefitted from a one-hour, virtual session with

SIGNATURE PROGRAMMES

ENTERPRISE DEVELOPMENT FOR EXPORT GROWTH (EXPORT MAX)

the selected mentor and have been assisted in key areas such as: market intelligence and data gathering, provision of referrals, sharing of distributor listing and contacts, sourcing of packaging, raw materials, and equipment along with information and resource sharing in areas relating to law, finances, marketing standards, export steps and processes, among others.

Launch of EXIM Bank's Export Club

The National Export-Import Bank of Jamaica (EXIM Bank) committed JM\$5 million in sponsorship to Export Max III. With the funding from and support of EXIM Bank, Export Max III now gives exporters access to special services, fixed interest rates, reduced fees, market information, and other benefits that will reduce the barriers to exporting for participating companies. Participants in the initiative will, as a result, receive pre- and post-shipment financing, reduced fees for capacity-building initiatives, trade credit financing, among other things.

Overall, an 18% increase was seen in new exporters under the program, largely driven by companies from the fresh produce, processed foods, and health and wellness categories. MSMEs under Export Max III have demonstrated resilience during this period, as 30% of the companies recorded significant increases in their 2020 export sales over 2019, despite restrictions across the globe which impacted the movement of goods and services. These companies have expanded into new markets in Europe, North America, the Caribbean, and Latin America. At least one small company has grown to a medium enterprise, with projected earnings of more than J\$240 million for 2021.



Hon. Floyd Green, Minister of State in the Ministry of Industry, Commerce, Agriculture and Fisheries (centre) is flanked by representatives from the selected companies for the Export Max III export development programme, at the Jamaica Pegasus Hotel in Kingston. Export Max is helping its participants to access online platforms to distribute their products and services to new markets.

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ENTERPRISE DEVELOPMENT FOR EXPORT GROWTH (EXPORT MAX)

The photo below shows the signing of the sponsorship agreement between EXIM Bank and Export Max III.



(Seated, from left) National Export-Import Bank of Jamaica (EXIM Bank) Managing Director Lisa Bell and Diane Edwards, President of Jamaica Promotions Corp (JAMPRO), sign a memorandum of understanding (MOU) that cements EXIM's sponsorship for Export Max III. (Standing, from left) Ricardo Durrant, Manager — Sales and Promotions, JAMPRO; Melissa Bennett, Manager, Business Advisory Services, Jamaica Business Development Commission; and Imega Breese McNabb, Executive Director at Jamaica Manufacturers and Exporters Association looks on. The signing took place Thursday, July 30, 2020, at EXIM Bank's office in Kingston.

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ECONOMIC DEVELOPMENT PROGRAMME

The Economic Diplomacy Programme (EDP), a collaborative initiative between JAMPRO and the Ministry of Foreign Affairs and Foreign Trade (MFAFT), was officially launched by the signing of a MOU on January 28, 2021. The programme, however, commenced in June 2020 and followed a schedule consisting of sector-specific webinars, regional group meetings as well as one-on-one sessions. These engagements yielded investment and export leads through at least 4 embassies, as well as missions and consulates.



(L-R) Trecia Elliott, Senior Director of Policy (MFAFT), Ambassador Marcia Gilbert-Roberts, Permanent Secretary (MFAFT), Diane Edwards, President (JAMPRO) and Gabriel Heron, VP Marketing, JAMPRO on the occasion of the MOU signing for the EDP

With its first full year in implementation, the EDP has allowed for increased engagement with Foreign Service Officers (FSOs) and greater access to public officials in the respective markets. Through the assistance of the Consulate General in Toronto, the Canada office participated in several high- and mid-level meetings with Senior Government Officials and members of the Canadian private sector for the period. The New York Office also participated in meetings with the business community through the invitation of the Consulate General in New York. There has also been an increase in conversations and referrals from the Embassy in Washington and from the honorary consuls.

Diplomatic Missions and Consular Posts (DMCPs) were also equipped with a toolkit consisting of sector-specific presentations, videos, quick facts, FAQs and promotional material. DMCPs are therefore able to send potentially interested person relevant information to spark interest.

The Programme will require further fine-tuning to increase the effectiveness and efficiency with which it is executed, particularly as it regards the nuances of each territory and/or market: a dedicated budget, continued training for FSOs, performance-based work programme, and improved access to up-to-date promotional information are being recommended. The North American Regional Office (New York & Canada) will continue to work with our overseas Missions to identify business opportunities and provide technical support where necessary. It is important that the new Honorary Investment Advisors are onboarded, as they will form part of the Territory Sales Plan for the 2021-2022 period.

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TERRITORY SALES PLAN

This approach has supported an expanded market reach within some key international markets in North America and Europe, in particular. Engagements with key stakeholders, including industry partners, connectors, and Government agencies have increased our presence in those regions to seek out business opportunities, expand market access for Jamaican products, and included hosting of mutually beneficial trade webinars.

Some specific engagements include:

- The Canadian North American Regional Office continued the build out of a series of engagements. For the period, they were able to establish relationship with the Port of Saint John, a key trading partner for Jamaica, which resulted in a joint webinar on trade logistics. Other stakeholder relationships formed in Atlantic Canada for the period includes Atlantic Canada Opportunities Agency (ACOA), Beyond Ventures Group.
- The European Regional Office engaged the CEO of Lincolnshire Chamber of Commerce and the President of the Portland Chamber of Commerce (St. Mary, Jamaica), regarding twinning of chambers and trade promotional activities. In advancing the Lincolnshire and Knowledge Transfer Initiative, meetings were held with the College of Agriculture Science and Education (CASE) in Jamaica and the National Centre for Food Manufacturing (University of Lincoln). These meetings are aimed at sharing the technology surrounding robotics in agriculture, which CASE aims to adopt in improving results in agriculture.



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HONORARY INVESTMENT ADVISORS

Honorary Investment Advisors (HIAs) are influential and well-connected persons who have ties to Jamaica and are willing to propel Jamaica's brand by complementing JAMPRO's mandate of increasing investment and export opportunities for Jamaica. JAMPRO, through the New Market Development Department, in collaboration with the Ministry of Foreign Affairs and Foreign Trade (MFAFT) and with the assistance of the Embassy of Jamaica in Japan appointed Mr. Rodney Reid, founder of IJVC Partners, as the Honorary Investment Advisor in Japan



At the Embassy of Jamaica in Tokyo, Japan, (L-R, standing) Mr. Sherdon Baugh, First Secretary/Consul and Miss Dania Micheal, Finance Attaché/ Vice Consul look on as Mr. Rodney Reid and Her Excellency Shorna-Kay Richards, Jamaica's Ambassador to Japan, sign an agreement cementing Mr. Reid's new role as Jamaica's Honorary Investment Advisor in Japan. Mr. Reid will be promoting Jamaican investment and trade opportunities in that country.



Ambassador Shorna-Kay Richards, Mr. Rodney Reid, Honorary Investment Advisor of Jamaica to Japan

SIGNATURE PROGRAMMES

PRIME ACCOUNT MANAGEMENT STRATEGY

JAMPRO initiated the implementation of the Prime Account Management Strategy (PAMS) in April 2020. The Prime Account Management Programme seeks to unearth untapped opportunities for Jamaica to increase investment, employment, and exports in key and emerging sectors in the short to long-term. The PAMS Developed and validated key value propositions in the face of a COVID-19 landscape to support a “go-to” market strategy and defined key client segments and their respective engagement approaches and execution plans.

PAMS clients are managed through two portfolios: Enterprise and Corporate Accounts. Enterprise Accounts being investors with new investment projects as well as clients that have re-investment projects in the implementation phase. Enterprise Account clients benefit from a suite of services which may include government-stakeholder facilitated meetings, social integration initiatives, business linkages introductions and matchmaking, VIP airport meet and greet, and event management support. The Corporate Accounts include clients currently receiving 'aftercare' (or post-operational) facilitation services or which have not been engaged with JAMPRO for some time, and span four key sectors: Tourism, Logistics, Energy, and Infrastructure.

Engagement with these clients resulted in the highest rate of conversion to augment the investment pipeline. Since its inception, the Prime Account Management initiative has targeted 332 companies and has positioned the organisation to be more strategic in engaging significant investment and export opportunities; it will continue to be a valuable initiative in the coming fiscal year.

Investment Ready (Bankable) Projects

Whilst it is a subset of the overarching PAMS strategy, this segment stands on its own on account of the special engagement with key government agencies and private equity firms to identify suitable pre-packaged investment opportunities or bankable projects requiring JAMPRO's support. More than 40 projects were generated from contact with 32 potential sources of investments. Projects were derived from Sygnus Capital, First Rock, National Water Commission (NWC), Development Bank of Jamaica (DBJ), Port Authority of Jamaica (PAJ), Factories Corporation of Jamaica (FCJ), Urban Development Corporation (UDC), and Delta Capital.

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PRIME ACCOUNT MANAGEMENT

UDC/JAMPRO JOINT MOU

This will see JAMPRO marketing and promoting UDC investment opportunities. This has started in earnest with the Two Sister's Cave.

PRIVATE EQUITY CLIENT SYGNUS CAPITAL:

Private Equity Client Sygnus Capital: JAMPRO was able to facilitate two key projects; namely, the Caterpillar Facility and the Belmont Road Facility.



First investment opportunity of JAMPRO/UDC eco-tourism venture to be at Two Sisters Cave in Hellshire.



MAJOR EVENTS

MAJOR EVENTS

BLUE MOUNTAIN COFFEE DAY

Since 2019, January 9 has been celebrated as Jamaica Blue Mountain (JBM) Coffee Day, following a proclamation by the Governor-General of Jamaica, His Excellency the Most Honourable Sir Patrick Allen. JAMPRO, in collaboration with the Jamaica Coffee Exporters Association (JCEA), and the Jamaica Agricultural Commodities Regulatory Authority (JACRA), led the January 2021 Coffee Day celebrations. The activities included extensive social media campaigns, publication of articles relating to JBM coffee, radio and television interviews, a coffee crawl involving coffee shops across the island and a feature of the Most Honourable Prime Minister of Jamaica in a Bloomberg TV interview on the product.



Post made by PM Andrew Holness in support of Jamaica Blue Mountain Coffee Day and showcasing the Bloomberg TV interview.



(L-R), Norman Naar, VP of Sales and Promotions, JAMPRO, Diane Edwards, President of JAMPRO, Norman Grant, Chairman of the JCEA and Sheryl Lee Ralph, world renowned actress, at Jablum Coffee House, Oxford Road.

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BLUE MOUNTAIN COFFEE DAY

Key local and international social media influencers and the Jamaican consulates in four key markets (the USA, Canada, United Kingdom, and Belgium) were engaged as part of the promotional blitz. Analytics from the social media activation showed significant reach.

From Europe...

The Embassy of Jamaica in Belgium was able to engage a café and a restaurant which were open to help promote the JBMC and bring awareness to the day. Of note, Corica Café offered the JBM Coffee at a discounted rate on January 9th and in addition to the in-store specials, Corica Café also promoted the Day on their website.



Chargé d'Affaires of the Jamaican Embassy in Belgium, Ms. Shae-Alicia Lewis, presented to Mr. Harold Anciaux, CEO of Corica.

...to the Americas!

The Consulate General of Jamaica in New York hosted a week-long campaign in an effort to reintroduce the JBMC as a viable product in the US market. The activities included a joint online event in collaboration with the Japanese Consulate in New York, television interviews, state-wide hotel promotions, Instagram Live sessions, and JBM Coffee Stations. The online celebratory event also included speakers such as the Hon. Floyd Green, Minister of Agriculture, Norman Grant, Chairman of the JCEA, Diane Edwards, President of JAMPRO, among others.



Consul General Alison Wilson presents a coffee gift package to Ambassador Kanji Yamanouchi, Consul General of Japan in New York.

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WEBINARS

With the GoJ mandated ban on non-essential travel early in the financial year, due to the pandemic, JAMPRO was forced to pivot away from in market activation and face to face marketing and networking events and therefore utilised webinars as a strategy of executing sector focused engagements. Overall, approximately 67 virtual events were executed. Some webinars executed during the period are highlighted below.



JAMPRO/UWI Open Campus Online Workshop

The workshop entitled “A Step by Step to Exporting” marked a successful collaboration between the UWI Open Campus (UWIOC) and JAMPRO and has paved the way for the conversion of other JAMPRO capacity-building workshops to an online learning platform. The high level of interest in the inaugural JAMPRO/UWIOC Online Workshop, supported by 226 expressions of interest and 91 active participants, was indicative of the need for such a programme and the importance of hosting it virtually was a way of affording accessibility to a wider audience.

The workshop supported the organisation’s thrust to boost the export readiness of local exporters and the strategic partnership with the University was pivotal to its success. The workshop was designed to inform and empower participants on navigating the export process, with the aim to increase the number of companies/individuals exporting. Discussions have already occurred regarding the execution of the workshop in the 2021/2022 fiscal year to support a second cohort of students and the renewal of the MOU between JAMPRO and UWIOC. The partnership will also provide access to UWIOC’s expertise in undertaking policy and technical studies on subject areas of mutual interest to both Parties.

New Market Development (NMD) Webinars

During the financial year 2020/21, the NMD department hosted three webinars in Spanish; two relating to the ITES sector and one focusing on Tourism. The department also hosted an Agribusiness webinar which was targeted at Caribbean buyers/distributors.

- The first Outsourcing webinar was entitled “Jamaica: La Capital de BPO en el Caribe” (Jamaica: The BPO Capital of the Caribbean), while the second webinar was entitled “Jamaica: El destino

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WEBINARS

preferido para el soporte de BPO en ingles native” (Jamaica: the preferred destination for BPO support in Native English). The webinars were executed as a means of targeting outsourcing companies in the Dominican Republic, Colombia, Costa Rica, and Mexico, that may be interested in offering native English Language support for their current clients.

- In addition to these external webinars, the NMD department hosted six (6) sector-specific webinars for the Economic Diplomacy Programme (EDP), as a Familiarisation series which gave the Diplomatic Missions and Consular Posts (DMCPs) key details on each sector. The webinars aimed to ensure that DMCPs were equipped with key points on each sector and that they were able to speak briefly on each in the event that they engaged a key stakeholder/connector during their day-to-day activities.

JAMPRO's Response to COVID-19

In April 2020, JAMPRO hosted “The Recovery” via Facebook Live where President Diane Edwards delivered key points on JAMPRO's response to COVID-19 as well efforts being made at the national level.



Diaspora-Oriented Webinar

JAMPRO, along with key partners, hosted a webinar to discuss investment opportunities with the Diaspora.



Gabriel Heron, VP-Marketing at JAMPRO hosted the webinar and was joined by Oliver Mair, Consul General, Miami and Harold Davis, Deputy CEO, Jamaica Business Development Corporation.

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WEBINARS

Energy Webinar

Held on July 30, 2020, in partnership with New Energy Events, the webinar was aimed at promoting Jamaica for energy investments.



Western Jamaica Regional Office (WJRO) Webinars

The WJRO executed four (4) signature webinars for the financial year.

- Western Jamaica Exporters Forum - Entitled “Unleashing Export Opportunities 2021 & Beyond”, the forum was designed to provide in-market useable information to our existing and potential export clients. The focus was on market access, consolidation of opportunities and the new exporters online platform from Jamaica Customs. The event had 386 attendees and generated 10 export leads and 150 enquiries about consolidation.
- WJRO/JBDC In Concert Series – Film & Animation - Sixty-seven persons benefited from presentations by industry experts and entrepreneurs and were able to garner information on how to access government support (funding and technical assistance).

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WEBINARS

Other meetings and B2B opportunities were facilitated via various online platforms to advance investment and export opportunities in various sectors. Other key webinars per sector are listed below.

Name of Event	Mission/ Event Overview	Mission Results
Agribusiness Sector		
Agribusiness Investment Webinar	The event objectives were to promote investment opportunities within Jamaica's Agribusiness sector, present Jamaica as a viable agriculture investment destination and promote JAMPRO's facilitation services to prospective investors. Geo-targeting and social media campaign was carried out to support the initiative.	• 228 persons registered for the webinar • 62% (142) of registrants participated in the webinar • Follow-up radio interviews were generated, and reviews shared through newspaper articles and social media
Agribusiness Buyers Webinar	The objective was to present export opportunities to the wider Caribbean to generate leads	• Participation of over 20 buyers
Exporting to Latin America Forum	This event's objectives were to present market opportunities and intelligence on the Latin America market, provide buyer perspectives on the market and share tips on developing good business relationship in that region	• Representatives from 19 Jamaican companies were in attendance from the agro-processing and non-food manufacturing sectors and included several Export Max III companies • 13 Latin American buyers and consultants served as resource personnel for the Question-and-Answer segment • Key contacts established in the region
Film, Animation & Music		
Kingston Creative Webinar "Developing an Investment Ready Creative Project"	Webinar presented on "Developing an Investment Ready creative project" delivered by Dmitri Dawkins, CEO of Graft Ventures via our First 50 partnership with Kingston Creative	Topics covered included identifying professional gaps, competitive edge, quantifying the value of their projects, calculating risks and tapping into existing market opportunities. 45 creatives participated in the webinar.

MAJOR EVENTS

WEBINARS

Name of Event	Mission/ Event Overview	Mission Results
Kingston Creative Webinar “How to Make a Winning Pitch for your Creative Project”	Webinar presented on “How to Make a Winning Pitch for your Creative Project” delivered by Dmitri Dawkins, CEO of Graft Ventures via our First 50 partnership with Kingston Creative	Topics covered included business models, financial projections, branding, value propositions, and use of funds. 41 creatives participated in the webinar.
CDB/ JAMPRO Caribbean Animation Business Model Launch	The official launch of the Caribbean Co-operation Business Model for Animation Studios Project, presented by Tristan Alleyne and Project Consultant Nneka Luke.	The webinar was attended by 128 participants from across the Caribbean including Jamaica, Antigua, Trinidad & Tobago and Curacao. This was a positive initiative in order to get the buy-in of stakeholders in the animation industries across the Caribbean.
Durban Film Mart / Durban International Film Festival	The Durban Film Mart (DFM) is an African finance and co-production market which aims to create partnerships and further the development and production of film on the African continent. It provides an opportunity to pitch film projects to leading financiers and content buyers. It also offers a full programme of industry-film related masterclasses, workshops, and panel discussions as well as networking opportunities for African and international filmmakers to form alliances for the future.	12 Jamaican participants attended virtually. JAMPRO led on market preparation. Several meetings held with producers, directors, festival programmers, distributors and sales agents. Participants pitched their various projects with hopes to advance these engagements
Logistics		
Trade Americas – Doing Business in Jamaica	The webinar focused on opportunities for investment in the energy sector in Jamaica. Key presenters were Jorge Arce, Director & Senior Trade Specialist - U.S. Commercial Service, Joe James, Economic/Commercial Officer - U.S. Embassy Jamaica, Bruce Levy - BMR Energy and Dionne Nugent, Director of Business Development - JPS	Key highlights of the event were the completion of the Integrated Resource Plan by the Government of Jamaica and the next steps to move to the request for proposals and bidding process. The event was marked as a success with a total of 252 registrants, 106 unique viewers, and 145 total users.

MAJOR EVENTS

WEBINARS

Name of Event	Mission/ Event Overview	Mission Results
“LEVEL UP: Unlock New Logistics Solutions”	In collaboration with NARO, Port of St. John (New Brunswick) and CMA CGM hosted a webinar targeted to exporters, importers, and freight-forwarders and logistics companies in Jamaica and Canada. The objective was to explore opportunities to reliably move goods between Canada and Jamaica with a new logistics solution from Port Saint John.	The event was marked as a success with a total of 252 registrants, 106 unique viewers, and 145 total users.
Manufacturing & Mining		
Value-Added Limestone Investment Opportunities Webinar (joint activity with RBO department)	Background information provided about Jamaica as a ‘best fit’ location, about Jamaica’s high purity Limestone sector, and the value-added limestone opportunities	Potential investors sensitised and introduced to the 5 (7 Products) limestone value-added investment packages prepared by PwC.
EU Cosmetics Regulatory Framework Webinar	The webinar aimed to equip local beauty products manufacturers with pertinent information needed to successfully manufacture and export to the EU market.	Participants received information on: - Cosmetic Regulation (EC) N° 1223/2009 framework and main requirements Registration process with BIO-RIUS and timelines Required information to provide for a compliant dossier.
Bamboo Stakeholders Round-table	To gain a clearer understanding of the Bamboo Industry and identify investment and export projects/opportunities, as well as initiatives for collaboration with the stakeholders.	Identification of potential investment and export opportunities that JAMPRO could support and potential stakeholder collaborations.
Tourism		
The Road to Tourism Recovery Webinar: Real Estate	The Tourism Real Estate forum provided landowners with the opportunity to gain insights on what hoteliers are looking for when seeking lands for hotel development. The forum was entitled “Positioning your land for hotel development- Understanding what Tourism Investors are looking for”. It was designed to provide landowners with information that could assist them in successfully negotiating land deals with potential Tourism Investors.	A total of 69 persons attended this session

MAJOR EVENTS

WEBINARS

Name of Event	Mission/ Event Overview	Mission Results
Mushroom Webinar	The webinar was titled: “THERAPEUTIC MUSHROOMS AND ROLE IN HEALTH & WELLNESS (Special reference to Psilocybin containing Mushrooms).”	The interactive knowledge event explored scientific justification for the promotion of psilocybin mushrooms in the development strategy of a vibrant mushroom industry in Jamaica.
Tourism Pitch Session	To further expand investments in Tourism and drive lead generation for the department, a face-to-face session was held entitled, “New Opportunities: Tourism Recovery, Rising to New heights.” Ten (10) Project owners were able to pitch their projects to financiers. This was one of the main lead generation events for the department for the final quarter.	A total of 23 investors were present, and eight (8) of them expressed interest in the following projects: • Irie by Sea – Retirement Community Project • Smile Jamaica Boutique • WA Retreat Centre • Cardiff Hall Development UDC. To date meetings have been facilitated with these investors and the projects are on track. Arising out of this pitch session investors out of Canada have expressed an interest in joint venturing with the retirement community project.
Global Digital Services		
Drive BPO Investment post-COVID-19 with Ryan Strategic Advisors	The objective of the webinar was to secure intelligence on: • What outsourcers will be looking for in an offshore location post-COVID -19 • The factors that BPO clients are looking for in an offshore or nearshore delivery point.	Garnered insight on the needs of investors when choosing an outsourcing location as well as strategies to strengthen your location’s position within the market.



MARKETING INITIATIVES

MARKETING INITIATIVES

Country Branding Campaign

The Government of Jamaica, under the auspices of the Office of the Prime Minister (OPM) and its stakeholders, including the Ministry of Foreign Affairs and Foreign Trade (MFAFT) and JAMPRO, is now seeking to build-out Jamaica's country/nation brand to Capitalise on both a local and broader global recognition of the Jamaican country brand than what currently exists. The OPM commissioned JAMPRO to lead this initiative and to mirror global best practices used by counterpart agencies in the United Kingdom (UKTI) and Costa Rica (CINDE). Budgetary constraints could impact the extent to which this is implemented in the short term.

Corporate Awareness Campaign

The Integrated Marketing Communications Department (IMCo) continued its task to raise the organisation's profile and inform the public of the services provided for businesses ready to export or to invest in Jamaica. During the financial year, some key initiatives implemented to support its mandate included i) Development of corporate print advertisements; ii) Launch of a digital corporate campaign on all social media platforms; iii) Reissuing the Rising Jamaica campaign on all social media platforms and iv) Development and update of the global content calendar and a content strategy.

Additionally, partnerships were leveraged with international publications such as Yahoo, Forbes Magazine and BNAméricas for placements of press releases to boost the DoBusiness Jamaica marketing programme. The press releases covered topics relating to JAMPRO's wins at Stevie Awards, Jamaica's response to COVID-19 through agriculture and Jamaica being open for business thanks to PPPs.

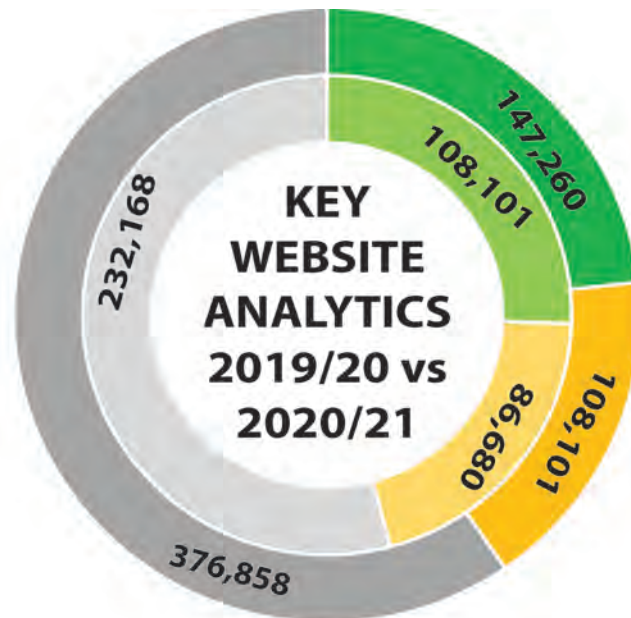
Corporate Website Redevelopment

Having successfully secured the services of an international web developer, WeUsThem, in the previous financial year, the following activities were completed during the year:

- Launch of the second component of the redesigned website (<https://dobusinessjamaica.com>), which saw collateral being uploaded to the redesigned Resource Centre; and
- Improvement of user experience, particularly loading times and lead generation techniques.
- The aim of the redeveloped website is to create an updated online corporate identity, along with updated messaging and design to clearly communicate JAMPRO's mission, story, services and key business sectors while providing target audiences with a seamless user experience.

In the financial year under review, the user rate was over 108K versus 86K and website bounce rate was 46.65% compared to 56.23% in the previous year. This means that an additional 9.58% of website visitors stayed on the site longer when compared to the previous year.

WEBSITE ANALYTICS YEAR ON YEAR COMPARISON



SESSIONS



62%↑

WEB USERS



80%↑

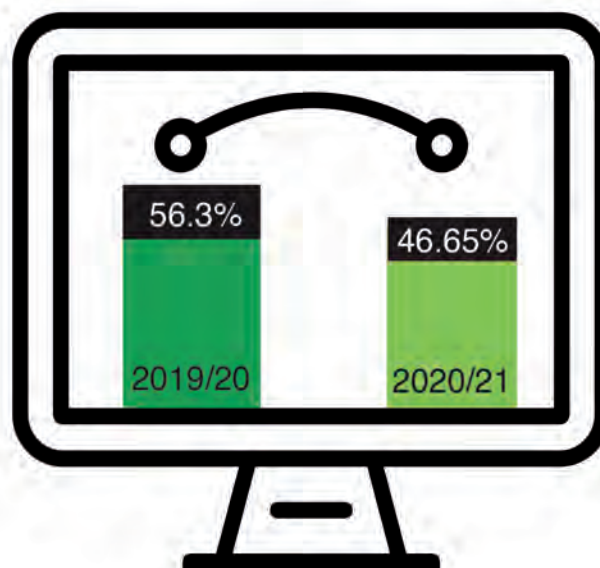
PAGE VIEWS



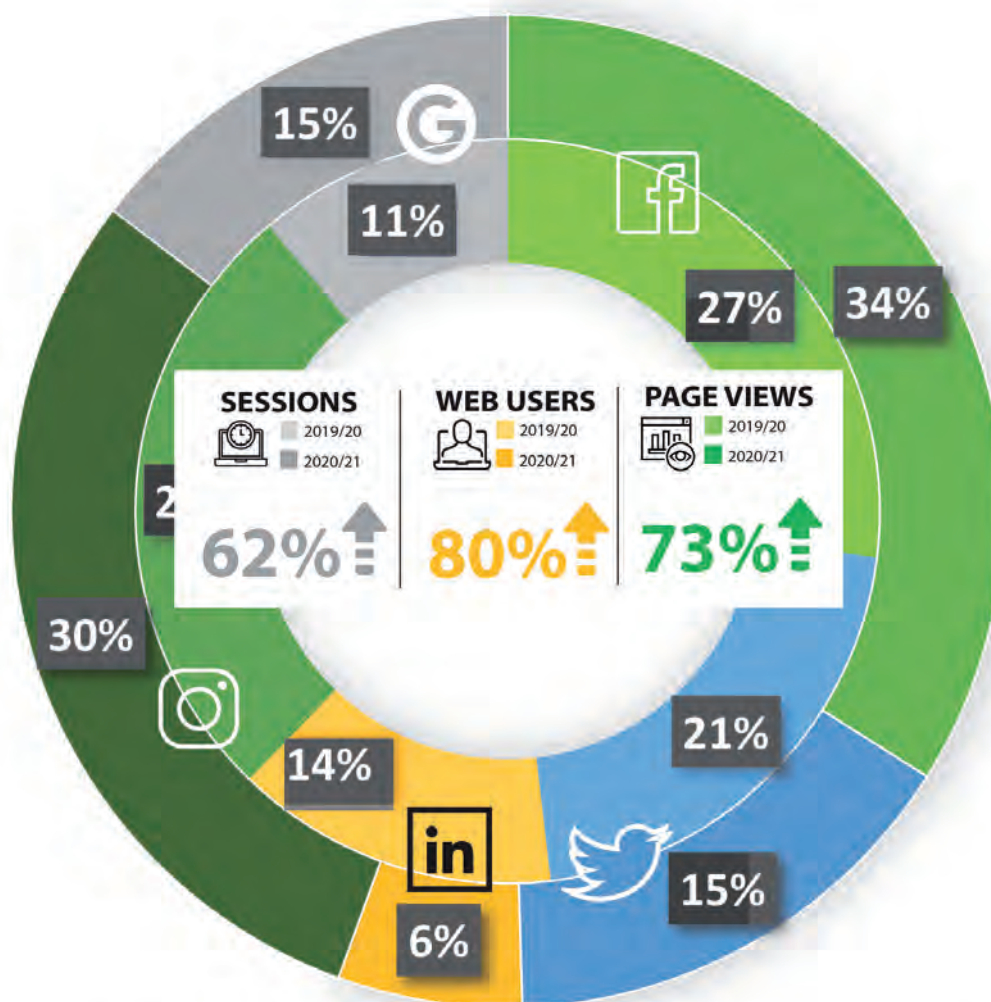
73%↑

BOUNCE RATE YEAR ON YEAR COMPARISON

2019/20 vs
2020/21



SOCIAL MEDIA IMPRESSIONS YEAR ON YEAR COMPARISON



	Facebook	Twitter	LinkedIn	Instagram	Google
2019/2020	1,577,596	1,238,618	821,667	1,562,838	647,362
2020/2021	9,037,276	4,136,695	1,600,033	7,922,195	3,893,115

JAMPRO: NAVIGATING COVID-19

Faced with the ongoing impacts of the global pandemic JAMPRO adopted new and enhanced measures to execute its mandate. While this included finding creative ways to engage clients and attracting new prospects towards conversion to projects, the Corporation also ensured that the work environment and working arrangements were safe for staff and clients. Considerations and adjustments included, but were not limited to, the following:

- Retrofitting of spaces and acquisition of important equipment and materials to support COVID-19 safety protocols. This included:
 - ♦ Retrofitting of five (5) workstations to facilitate social distancing, acquisition of key protective equipment
 - ♦ Installation of touch free equipment throughout the building
 - ♦ Placement of Sanitising foot mats at entrance doors
 - ♦ Acquired infrared thermometers for taking the body temperature of persons who entered the building
 - ♦ Engaged a Ministry of Health approved company to deep clean, sanitise, and disinfect the entire building, including the tenanted space
- To facilitate staff efficiently working from home, several initiatives were undertaken including:
 - ♦ Installing VPN software on company laptops
 - ♦ Increasing the number of company-issued smartphones
 - ♦ Configuring the PBX extensions to ring at desks and smartphones simultaneously and configuring PBX phones for the Contact Centre agents to connect to the PBX server from the homes of the agents.
 - ♦ A server was also configured to allow JAMPRO's MIS team to connect to JAMPRO staff computers to provide user support even when they are not physically in the office.
- Upgrades were done to the building which included:
 - ♦ refurbishing the ground floor and disabled restrooms resulting in more aesthetically pleasing restroom for staff and clients visiting the building. In the upcoming financial year, the restrooms on remaining floors, first and second floors, will also be refurbished.
 - ♦ The auditorium was also refurbished. The carpeted floor was replaced with a solution that transformed the venue into a multipurpose space which can be easily cleaned and Sanitised.
 - ♦ Funding was secured to purchase and install automatic swing door closures for the main entrance doors. When completed, the mechanism will result in reduced physical contact with the doors on entering the building via the lobby.



- To ensure staff has adequate parking, in February 2021 the additional staff parking facility was relocated from the Department of Co-operative & Friendly Societies to Guardian Life Limited's premises at 16 Trafalgar Road, Kingston 10 (premises formerly occupied by the Deck Bar and Grill). The new parking facility is much more convenient for staff and clients than the one by the DCFS. One major advantage of the latter arrangement is that the pedestrian gate between both properties will remain opened from 7:00 am until the end of each business day.

JAMPRO will continue to ensure the safety and well-being of its staff by instituting appropriate measures and facilities for a high performing and engaged team.



BOARD OF DIRECTORS' REPORT

BOARD OF DIRECTORS'

REPORT

Overview

The Corporation is governed by a Board of Directors who is appointed by the portfolio minister. The Board of Directors continues to support the GOJ Ten Dimensions of Good Board Performance and to drive excellence in corporate governance for the Corporation. The Board remained on course in its strategic direction of the Corporation with its approval of the Corporation's four (4)-year Strategic Business Plan for the FY 2020/ 2021 - FY 2023/ 2024. Under the direction of the Board of Directors, the Corporation continued to navigate the negative impact of the COVID-19 pandemic on economies globally to fulfil its mandate to drive Jamaica's economic growth.

On November 30, 2020, approval was given by Cabinet for the appointment of the Board of Directors for a period of two (2) years. In addition to eight (8) individuals that were re-appointed to the Board of Directors there were five (5) new appointments to the Board of Directors, namely, Ms. Jo-Anne Archibald, Mrs. Rita Hilton, Mrs. Jacqueline Stewart-Lechler, Ms. Mina Robertson and Mr. Garth Walker. Ms. Rochelle Cameron was appointed to the Board of Directors on 18th January 2021 bringing to the Board her expertise in legal solutions and corporate governance. Mrs. Laura Heron was also appointed to the Board of Directors in the first quarter of 2021. The effective date of appointment for Mrs. Heron was 15th February 2021. Mrs. Laura Heron brought her expertise in the hospitality sector to the Board discussions.

The Board of Directors provides strategic guidance on key areas through five Sub-Committees. They are the Audit, Finance and Procurement, Human Resources, Marketing and Projects and the newly added Tourism Linkages Sub-Committee, which was formed in January 2021 to foster greater linkages with the hospitality industry across key sectors. Membership of the Sub-Committees includes at least two Board members and may opt through the Board of Directors to appoint any other person, not being a member of the Board of Directors, to serve as a Member on the Committee. Compensation for the additional Sub-Committee members, Lennox Channer and Heather Lee, totalled J\$19,500.00, for attendance at one and two Sub-Committee meetings, respectively.

The detailed report for each Sub-Committee and compensation table for the Board of Directors are outlined below.

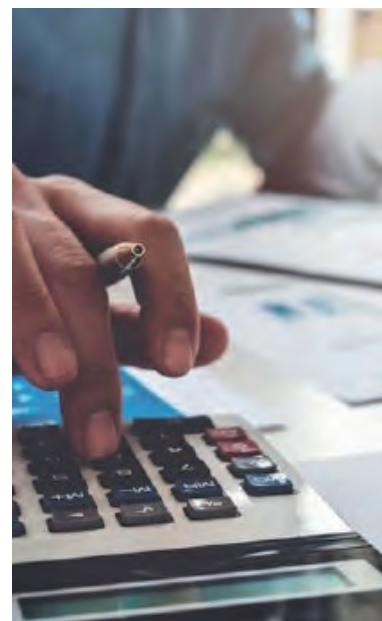
BOARD OF DIRECTORS'

REPORT

Audit

The Audit Sub-Committee (ASC) of the Board of Directors gives direct oversight to the auditing functions of the Corporation and assists the Board of Directors in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, achievement of corporate targets, the effectiveness of the risk management and internal control system, the Client Relationship Management System, financial governance, IT governance and compliance matters. The Sub-Committee also has the responsibility for making a recommendation to the Board on the appointment of the external auditor.

With the increasing impact of the COVID-19 pandemic, in the fiscal year 2020-2021, the Audit Sub-Committee focussed its efforts on improving the operations of the Corporation's Client Relationship Management (CRM) System. As a result of recurring issues with the 2018 CRM System, the need to augment efficiency with a new CRM system that met the Corporation's needs became apparent, as the Corporation sought to capitalise on opportunities created by the pandemic, and increasingly engage in the digital arena.



The Sub-Committee continued to monitor the developments with the Corporation's new initiatives, namely the automation of the Corporation's Purchase Requisition (PR) and Purchase Order (PO) system to ensure its optimal functionality and overall integrity, as well as the Orange HR automated system to ensure the accuracy of the information generated for vacation balances and reliability of the system to send alerts to staff on their documentation for motor vehicle allowances.

A key priority area for the ASC was the critical review of the audited figures relating to the Corporation's achievements of its corporate and divisional targets. The ASC assessed the actual achievements against the Board's established corporate targets and divisional targets.

The Sub-Committee was also responsible for ensuring the Corporation's compliance with the various Laws, Regulations and Internal Policies relating to the areas of Compliance, Procurement, Collections and Disbursements. The oversight also extended to the timely and efficient management of staff remuneration and benefits. For the review period, JAMPRO was compliant with all statutory and regulatory requirements and ended the financial year with having achieved all corporate targets.

BOARD OF DIRECTORS'

REPORT

The membership for the Audit Sub-Committee for FY 2020-2021 was as follows: Yoni Epstein (Chairperson), Ian K. Levy, O.J., C.D., O.D (Director), Dr. Andre Gordon, (Director up to November 29th, 2020), and Douglas Robinson, (Sub-Committee Member up to November 29th, 2020). With the appointment of the new JAMPRO Board of Directors, new members were appointed to the ASC effective January 26th, 2021. For the new term, the ASC membership comprised Yoni Epstein (Chairperson), Ian K. Levy, O.J., C.D., O.D. (Director), Jo-Anne Archibald (Director), and Christopher Williams (Director). Non-Voting Members were Diane Edwards (President), Wendy Lyttle Pryce (Vice President – Finance and Corporate Services Division), Audrey Mattis (Financial Controller), Dianne Graveney (Internal Auditor), and Arlyn Gordon (Corporate Secretary).

Human Resources

During the 2020-2021 fiscal year, the HR Sub-Committee (HRSC) of the Board of Directors continued to provide insight and strategic direction to the Human Resource portfolio at JAMPRO. Key among these were the implementation of the Ministry of Health and Wellness COVID-19 protocols, staff well-being and productivity, the efficiencies to be had with remote working given the GOJ Work-From-Home Orders and the review of the Succession Plan for all Executive positions.

The HRSC's strategic oversight of the Succession Plan was important as the HRSC reviewed the level of readiness of each potential candidate in the internal talent pool and the consideration being given to potential external candidates. The HRSC provided guidance as to the reassessment of the level of readiness based on their observations of the candidates and assessed any retention risk. The HRSC encouraged a more aggressive approach with the development plans to effectively address the skills gap in potential candidates. Notable recommendations of the HRSC were mentorship by the Board of Directors, rotation in Divisions to enhance the candidate skill set and awareness of the operations of the Corporation, secondment to Private Sector companies which were relevant to the Corporation's Sectors to diversify the candidate's managerial skill set, to observe efficient operations and the total immersion in the post identified for succession and to foster more savviness in interacting with various stakeholders. The HRSC provided valuable direction in its review of the succession process which has enabled the Corporation to continue with its roll out to achieve human resources



BOARD OF DIRECTORS'

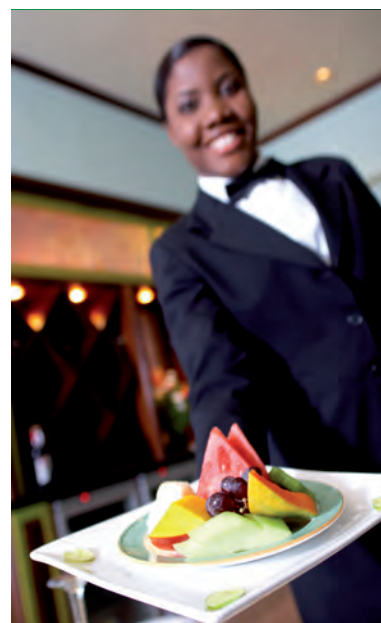
REPORT

medium and long-term development goals.

The active voting members of the Human Resources Sub-Committee for FY 2020-2021 were Lisa Soares Lewis (Chairperson), Christopher Williams (Director up to November 29th, 2020), and Gary Sadler (Director up to November 29th, 2020). With the appointment of the new JAMPRO Board of Directors, new members were appointed to the HRSC effective January 26th, 2021. The HRSC for the new term of the Board of Directors comprised Lisa Soares Lewis (Chairperson), Rochelle Cameron (Director), Rita Hilton (Director) and Diane Edwards (President appointed March 29th, 2021), Non-Voting members were Wendy Lyttle Pryce (Vice President – Finance and Corporate Services up to October 1st, 2020 (HR Function transitioned from the portfolio of the Finance and Corporate Services Division to the President's Division), Jennifer Williams (Manager, Human Resources Department), and Arlyn Gordon (Corporate Secretary).

Tourism Linkages

The Tourism Linkages Sub-Committee (TLSC) of the Board of Directors was formed in January 2021. The focus areas for the TLSC are (i) fostering greater linkages between the hospitality industry and Jamaican manufacturers and agricultural producers and the entertainment and landscaping sector; (ii) assessing the status of linkages between investors and the local Micro, Small, and Medium-sized Enterprises (MSMEs); (iii) identifying ways in which Jamaica can derive greater benefit from tax incentives offered to hotel investments; (iv) developing a strategy to increase the volume of linkages by identifying, leveraging and promoting the opportunities that exist; (v) consultation with and the engagement of partners in the development and implementation of the strategy; (vi) oversight of the implementation of the strategy in JAMPRO and (vii) to stimulate and spearhead Jamaica's entry into orchard crop development namely, (i) ackee; (ii) avocado; (iii) breadfruit and (iv) mangoes.



The activities of the TLSC for FY 2020-2021 centred on understanding and arriving at the true demand of the hospitality industry to determine those products, services and agricultural produce in which Jamaica had a competitive advantage to supply and the capability to do so to fulfil the demands of that industry. Meetings were held with Honourable Minister Audley Shaw, Minister of Industry, Investment and Commerce (MIIC), Honourable Minister Edmund Bartlett, Minister of Tourism (MoT), Senator the Honourable Aubyn Hill, Minister Without Portfolio within the Ministry of Economic Growth and Job Creation (MEGJC) and the Honourable Floyd Green, Minister of

BOARD OF DIRECTORS'

REPORT

Agriculture and Fisheries (MoAF). Meetings were also held with experts in Landscaping, the Entertainment Sector, Manufacturing, and the Tourism Linkages Committee Head and Chairman of the Committee.

In relation to the orchard crops, the TLSC through its network was able to engage large processors of Jamaica's mangoes, ackees, breadfruit, and avocado to determine the acreage of those crops needed to gain a greater share in the global market for Jamaica to earn over US\$1bn from the exports of those crops within three (3) -five (5) years. The overriding objective being to utilise the information to stimulate interest and secure investment in the development of orchard crops among entrepreneurs. As a first initiative to expand the supply of ackee, the Chair took the initiative of securing a number of ackee seedlings, for distribution to suppliers of the ackee processors and present growers of ackee trees who presently supply the processors for export of canned Ackee.

The TLSC was established January 26th, 2021. The membership of the TLSC comprises Honourable Ian Levy, O.J., C.D., O.D (Chairperson), Metry Seaga (Deputy Chairman), Rita Hilton (Director), Laura Heron (Director, joined March 22, 2021), Delano Seiveright (Director), Diane Edwards (President), Shullette Cox (Vice President, Research, Advocacy and Project Implementation Division), and Arlyn Gordon (Corporate Secretary).

Finance and Procurement

The Finance and Procurement Sub-Committee (FPSC) of the Board of Directors supports the Board in the oversight of the Finance and Procurement functions of the Corporation. The FPSC monitors JAMPRO's Fiduciary and Treasury functions, Budgeting, Optimisation of Assets, Procurement, Cost Containment, Internal Control, and Risk Management. The FPSC also ensures that the Corporation operates within established financial regulations.

During fiscal year 2020-2021, the FPSC continued to monitor JAMPRO's expenditure to ensure that there was alignment with the Corporation's mandate of the promotion of investment, exports, and other facilitations to achieve economic growth. The FPSC endorsed the creative ways and the digital tools that the Corporation embraced to drive investor engagement in the face of the challenges



BOARD OF DIRECTORS'

REPORT

brought on by the COVID-19 pandemic and the budgetary constraints. The FPSC supported the Corporation's pivot to digital engagement through webinars and other online media to increase its global reach during the COVID-19 pandemic in furtherance of its mandate and the cost savings achieved. The FPSC encouraged the Corporation as a complement to its new approach to investor engagement to "spearfish" and increase its direct engagement with Jamaican investors to drive Local Direct Investment (LDI).

The FPSC ensured during the FY 2020-2021 that:

- I. The Corporation's financial system was adequately monitored.
- II. The budget reports and any significant variances were thoroughly reviewed and analysed.
- III. The procurement processes were in line with GOJ Procurement Policy and Procedures.
- IV. The Corporation's Budget with approved Estimates of Expenditure was Optimised.
- V. The most strategic application of the Corporation's Treasury and Cash Management activities (especially funds held on Fixed Deposits) were undertaken.

One of the key areas of focus for the FPSC in 2020-2021 was the procurement of a new Client Relationship Management System (CRM) to augment the Corporation's efficiency in its engagement with clients and the progression of leads through the Corporation's pipeline. The Committee also continued its drive to lead the Corporation to increase the use of locally produced goods and services.

The active voting members of the FPSC for FY 2020-2021 were Metry Seaga (Chairperson), Lennox Channer (Sub-Committee Member up to November 29th, 2020), Heather Lee (Sub-Committee Member up to November 29th, 2020) and Diane Edwards (President and Sub-Committee member up to November 29th, 2020). With the appointment of the new Board of Directors, new members were appointed to the FPSC effective January 26th, 2021. For the new term, the FPSC membership comprised of Metry Seaga (Chairperson), Jacqueline Stewart-Lechler (Director), Lisa Soares Lewis (Director) and Garth Walker (Director). Non-Voting Members for FY 2020-2021 included President Diane Edwards (President), Wendy Lyttle Pryce (Vice President - Finance and Corporate Services) and Arlyn Gordon (Corporate Secretary).

BOARD OF DIRECTORS'

REPORT

Marketing and Projects

The Marketing and Projects Sub-Committee (MPSC) of the Board of Directors is responsible for providing strategic oversight in marketing, corporate communications, sales and promotions to support the organisation's Strategic Plan. The committee's main activities were driven by these key strategic objectives:

- to build global business relationships
- to build Jamaica's business brand through a global nation branding strategy
- to create greater awareness for the Corporation both locally and internationally.



A key project, that the MPSC oversaw was the launch of the 2nd component of the redesigned DoBusiness Jamaica website (<https://dobusinessjamaica.com/>). This involved the uploading of collateral to the newly redesigned Resource Centre. Since the redesign, there has been significant improvement in user experience, particularly loading times and lead generation techniques.

Several planned marketing activities were put on hold as a result of the COVID-19 pandemic, however, the MPSC provided general guidance to the Marketing Division on the following initiatives:

- Corporate Awareness Campaign - To raise the organisation's profile and inform the public of the services provided for businesses ready to export or to invest in Jamaica, the following campaigns were executed.
 - ◆ Development of corporate print advertisements in December 2020
 - ◆ Launch of a digital corporate campaign on all social media platforms
 - ◆ Rising Jamaica campaign reissued on all social media platforms
 - ◆ Development and update of global content calendar and a content strategy

BOARD OF DIRECTORS'

REPORT

- Sector Promotional Campaigns – In an effort to equip and support the sales team in generating leads and closing investment and export projects with local and international stakeholders during the pandemic, the organisation executed several promotional campaigns including the “How to Series”.
- International PR Initiatives - Partnerships were leveraged with the following international publications to boost the Do Business Jamaica marketing programme: -
 - ♦ Yahoo - JAMPRO wins at Stevie Awards
 - ♦ Forbes Magazine - Agricultural Article / Climate Change Agriculture / Yam
 - ♦ BNAmericas - Jamaica Open for Business thanks to PPPs
- Economic Diplomacy Program - The Economic Diplomacy Programme (EDP), is a collaborative initiative between JAMPRO and the Ministry of Foreign Affairs and Foreign Trade (MFAFT). The programme consists of a range of structured, scheduled activities, with an aim to enhance communication, improve the sharing of market specific information as well as to enable a framework to facilitate engagement on activities implemented by all. During the financial year the division executed Sector Webinars (6), Group meetings (14) and One-on-One meetings (5).
- Territory Sales Plan – The division through the North American and European Regional Offices, continues the build out of a series of engagements with key stakeholders including industry partners and connectors, government agencies, etc., to increase presence in the regions and seek business opportunities.
- JAMPRO/UWIOC Online Workshop – A Step by Step Guide to Exporting - A Step-by-Step Guide to Exporting Workshop is in support of the organisation’s thrust to boost the export readiness of our local exporters. The workshop is designed to inform and empower participants on how to navigate the export process, with the aim to increase the number of companies/individuals exporting.

The Marketing and Projects Sub-Committee of the JAMPRO Board consists of four (4) voting members Zachary Harding (Chairperson), Yoni Epstein (Director), Gillian Wilkinson McDaniel (Director) and Delano Seiveright (Director). Non-Voting members of the Committee are Diane Edwards (President), Gabriel Heron, (Vice President – Marketing Division), Norman Naar (Vice President, Sales and Promotions Division), Charlene Wong, (Manager – Integrated Marketing Communications Dept) and Arlyn Gordon (Corporate Secretary).

BOARD OF DIRECTORS'

COMPENSATION

NAME	POSITION	TYPE OF DIRECTOR	LENGTH OF SERVICE	AREA OF EXPERTISE	FY BOARD MEETING ATTENDANCE	FY SUB-COMMITTEE ATTENDANCE	COMPENSATION (J\$)
Senator Don G. Wehby, C.D.	Chairman	Non-Executive	4 years	Corporate Governance, Finance, Financial Services, Manufacturing and Agri-Processing	5	-	106,500.00
Metry Seaga, C.D.	Deputy Chairman	Non-Executive	4 years	Manufacturing	6	3	109,200.00
JoAnne Archibald	Director, Member of the Marketing and Projects Sub-Committee and the Audit Sub-Committee	Non-Executive	Appointed November 29th, 2021, 4 months	Legal, Culture and Entertainment	1	-	12,000.00
Rochelle Cameron	Director, Member of the Human Resources Sub-Committee	Non-Executive	Appointed January 18th, 2021; 2 months and 2 weeks	Corporate Governance, Legal, Human Resources and Entrepreneurship	1	1	12,000.00
Yoni Epstein	Director, Chairperson of the Audit Sub-Committee	Non-Executive	4 years	Global Services Sector	5	3	96,000.00
Christian Tavares-Finson	Director	Non-Executive	2 years	Legal	2	-	
Dr. Andre Gordon	Director, Member of the Audit Sub-Committee.	Non-Executive	3 years	Manufacturing and Entrepreneurship	4	1	
Zachary Harding	Director, Chairperson of the Marketing and Projects Sub-Committee	Non-Executive	4 years	Financial Services, Marketing, Entrepreneurship		1	82,700.00

NAME	POSITION	TYPE OF DIRECTOR	LENGTH OF SERVICE	AREA OF EXPERTISE	FY BOARD MEETING ATTENDANCE	FY SUB-COMMITTEE ATTENDANCE	COMPENSATION (J\$)
Rita Hilton	Director, Member of the Human Resources Sub-Committee, and the Tourism Linkages Sub-Committee	Non-Executive	Appointed November 29th, 2021-4 months	Agriculture	2	3	37,000.00
Laura Heron	Director, Member of the Tourism Linkages Sub-Committee	Non-Executive	Appointed February 15th, 2021; 6 weeks	Tourism and Hospitality Services	1	1	18,500.00
Jacqueline Stewart-Lechler, CD JP	Director, Member of the Finance and Procurement Sub-Committee	Non-Executive		Global Services Sector	1	-	12,000.00
Hon. Ian K. Levy, O.J, C.D, O.D.	Director, Chairperson of the Tourism Linkages Sub-Committee and Member of the Audit Sub-Committee	Non-Executive	4 years	Entrepreneurship	5	3	94,400.00
Lisa Soares Lewis	Director, Chairperson of the Human Resources Sub-Committee and Member of the Finance and Procurement Sub-Committee.	Non-Executive	4 years	Human Resources and Coaching	6	1	89,200.00
Gillian Wilkinson McDaniel	Director, Member of the Marketing and Projects Sub-Committee	Non-Executive	3 years	Culture and Entertainment	3	1	

NAME	POSITION	TYPE OF DIRECTOR	LENGTH OF SERVICE	AREA OF EXPERTISE	FY BOARD MEETING ATTENDANCE	FY SUB-COMMITTEE ATTENDANCE	COMPENSATION (J\$)
Mina Robertson	Director, Member of the Marketing and Projects Sub-Committee	Non-Executive	Appointed November 29th, 2021; 4 months	Entrepreneurship, and Social Media	2		24,000.00
Gary Sadler, C.D.	Director, Member of the Human Resources Sub-Committee (2019-2020)	Non-Executive	5 years	Tourism and Hospitality Services	3		
Delano Seiveright	Director, Member of the Tourism Linkages Sub-Committee	Non-Executive	3 years	Tourism	4	1	54,500.00
Garth Walker	Director, Member of the Finance and Procurement Sub-Committee and the Marketing and Projects Sub-Committee.	Non-Executive	Appointed November 29th, 2021; 4 months	Entrepreneurship			30,500.00
Christopher Williams	Director, Member of the Audit Sub-Committee and Member of the Human Resources Sub-Committee (2019-2020)	Non-Executive	4 years	Financial Services	5	1	77,200.00
Total							\$855,700

EXECUTIVE MANAGEMENT TEAM COMPENSATION TABLE

POSITION OF SENIOR EXECUTIVE	YEAR	BASIC SALARY (\$)	GRATUITY & PERFORMANCE INCENTIVE (\$)	TRAVELLING ALLOWANCE/ ASSIGNED MOTOR VEHICLE (\$)	RETIREMENT BENEFITS (\$)	OTHER ALLOWANCES & PAYMENTS (\$)	HEALTH & GROUP LIFE INSURANCE (\$)	TOTAL (\$)
President	2020/2021	10,048,248	3,516,887	1,806,492	45,000	346,631	300,373	16,063,632
VP - Finance & Corporate Services	2020/2021	7,259,657	2,903,863	691,926	45,000	1,051,176	263,127	12,214,749
VP - Research Advocacy & Project Implementation	2020/2021	7,259,657	2,540,880	691,926	45,000	87,598	344,857	10,969,918
VP - Sales and Promotion	2020/2021	7,259,657	2,540,880	762,607	45,000	-	345,662	10,953,806
VP - Marketing	2020/2021	6,686,794	2,340,378	691,926	45,000	-	329,001	10,093,098
		38,514,013	13,842,887	4,644,877	225,000	1,485,405	1,583,020	60,295,202



STRATEGIC FOCUS

FY 2021-2022



As economic recovery from the COVID-19 pandemic progresses, the Corporation will further fine-tune its strategy for FY2021-2022. With projections from the United Nations Conference on Trade and Development (UNCTAD) that global foreign direct investment will be rebounding strongly in 2022, to near pre-pandemic levels within the Latin America and Caribbean region, the Corporation will be ready to create, explore, and maximise on investment and export opportunities

During the FY 2021/2022 the Corporation will seek to:

- Strengthen global awareness of Jamaica as a prominent investment and trade destination
- Strengthen the enabling environment for investments and exports through research, policy and implementation of targeted donor funded projects
- Leverage digital technologies to support B2B matchmaking and virtual events to drive investment and trade opportunity
- Continue implementation of export capacity building programme to increase export sales
- Boost business advisory role and acquire market intelligence through leveraging international and regional relationships
- Appoint Honorary Investment Advisors in additional territories
- Roll out Phase 2 of the International Branding Campaign to propel the Global Digital Services Strategy
- Focus on packaging sector, market and product opportunities
- Advance key national strategies and policies such as the Agribusiness Strategies and Sourcing Policy for local linkages opportunities.
- Implementation of the National Investment Policy, and further build out and Operationalisation of the National Business Portal
- Enhance aftercare strategic approaches to identify and secure expansion/re-investment opportunities
- Revisit key internal policies including those addressing risk management in the face of lessons that emerged through the experience of the pandemic to improve operational efficiency

JAMPRO will further strengthen its focus in the areas of digital innovation, marketing, deepening international partnerships, and improving business facilitation and competitiveness, to ensure that it continues to be a significant catalyst for Jamaica's economic development.



JAMPRO
TRADE & INVESTMENT JAMAICA

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise indicated)

For the fiscal year ended March 31, 2021, JAMPRO received Gross Operating Revenue of J\$767.4 million compared to the fiscal year ended March 31, 2020, in which J\$913.9 million was received. This reflected a decrease of 16.03% over the previous year. During the fiscal year, JAMPRO received J\$727.2 million in Government Grants which represents 94.8% of Gross Operating Revenue.

Operating Expenses totalled J\$764.4 million comprising Promotional of J\$88.6 million, Staff Related J\$567.2 million and General & Administrative of J\$108.6 million. Total Operating Surplus for the year was J\$8.0 million. When adjusted to reflect the Defined Benefit Pension Plan of J\$103.3 million, the Total Comprehensive Income for the year was J\$111.3 million.

Financial Statements are for the year ended March 2021 and are expressed in Jamaican dollars unless otherwise indicated

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INDEPENDENT AUDITOR'S REPORT

To the Members of Jamaica Promotions Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jamaica Promotions Corporation (the "Corporation"), which comprise the statement of financial position as at 31 March 2021 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at 31 March 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the Jamaica Promotions Corporation Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management and the Board of Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS, and for such internal control as Management and the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management and the Board of Directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management and the Board of Directors either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of Jamaica Promotions Corporation (Continued)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of Jamaica Promotions Corporation (Continued)

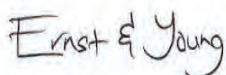
Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Additional Matters as required by the Jamaica Promotions Corporation Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaica Promotions Corporation Act, in the manner so required.



Chartered Accountants
Kingston, Jamaica

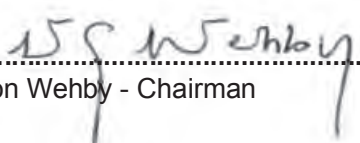
20 July 2021

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021
(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	66,348,921	112,732,734
Securities purchased under resale agreements	3	232,234,605	141,173,359
Trade and other receivables	4	18,892,733	23,440,607
		<u>317,476,259</u>	<u>277,346,700</u>
CURRENT LIABILITIES			
Trade and other payables	5	287,827,156	256,688,918
Grant received in advance	6	9,383,689	9,203,019
		<u>297,210,845</u>	<u>265,891,937</u>
NET CURRENT ASSETS		<u>20,265,414</u>	<u>11,454,763</u>
NON-CURRENT ASSETS			
Property and equipment	7	174,182,486	176,423,632
Employee benefit asset	8	508,453,000	403,770,000
		<u>682,635,486</u>	<u>580,193,632</u>
		<u>702,900,900</u>	<u>591,648,395</u>
FINANCED BY:			
ACCUMULATED SURPLUS		505,271,214	394,018,709
CAPITAL RESERVES	9	197,629,686	197,629,686
		<u>702,900,900</u>	<u>591,648,395</u>

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 20 July 2021 and signed on its behalf by:


.....
Don Wehby - Chairman


.....
Diane Edwards - President

JAMAICA PROMOTIONS CORPORATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2021 \$	2020 \$
Gross operating revenue	10	767,417,514	913,943,184
Operating expenses:			
Promotional	11(i)	88,596,797	224,898,524
Staff-related	11(ii)	567,226,054	532,378,703
General and administrative	11(iii)	108,555,604	119,278,448
		764,378,455	876,555,675
Operating surplus for the year		3,039,059	37,387,509
Other income:			
Interest income		4,930,446	1,168,833
Miscellaneous income		9,000	1,698,450
Surplus for the year		7,978,505	40,254,792
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Re-measurement gain on defined benefit plan	8(iv)	103,274,000	191,333,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		111,252,505	231,587,792

The accompanying notes form an integral part of these financial statements.

JAMAICA PROMOTIONS CORPORATION

**STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2021**

(Expressed in Jamaica dollars unless otherwise indicated)

	Accumulated surplus \$	Capital reserve \$	Total \$
Balances at 1 April 2019	162,430,917	197,629,686	360,060,603
Surplus for the year	40,254,792	-	40,254,792
Other comprehensive income	191,333,000	-	191,333,000
Total comprehensive income for the year	231,587,792	-	231,587,792
Balances at 31 March 2020	394,018,709	197,629,686	591,648,395
Surplus for the year	7,978,505	-	7,978,505
Other comprehensive income	103,274,000	-	103,274,000
Total comprehensive income for the year	111,252,505	-	111,252,505
Balances at 31 March 2021	505,271,214	197,629,686	702,900,900

The accompanying notes form an integral part of these financial statements.

JAMAICA PROMOTIONS CORPORATION

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaica dollars unless otherwise indicated)

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		7,978,505	40,254,792
Adjustments for:			
Depreciation	7, 11(iii)	22,059,035	18,857,819
Loss on disposal of fixed assets	11(iii)	-	2,227,511
Employee benefits	8(i)	(665,000)	339,000
Amortisation of deferred income		-	(2,087,199)
Interest income		(4,930,446)	(1,168,833)
Foreign exchange gains (net)		(188,719)	(1,639,514)
		<u>24,253,375</u>	<u>56,783,576</u>
Decrease in a trade and other receivables		4,547,874	22,456,192
Increase in trade and other payables and grants received in advance		31,318,908	38,317,275
Employee benefit - contributions paid	8(i)	(744,000)	(710,000)
Net cash provided by operating activities		<u>59,376,157</u>	<u>116,847,043</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	7	(19,817,889)	(16,754,515)
Interest received		4,858,183	1,079,688
Securities purchased under resale agreements (net)		(90,988,983)	(10,213,993)
Net cash used in investing activities		<u>(105,948,689)</u>	<u>(25,888,820)</u>
Net (decrease)/increase in cash and cash equivalents		(46,572,532)	90,958,223
Cash and cash equivalents at beginning of year		112,732,734	20,134,997
Effect of foreign exchange rates changes		188,719	1,639,514
CASH AND CASH EQUIVLENTS AT END OF YEAR	3	<u>66,348,921</u>	<u>112,732,734</u>

The accompanying notes form an integral part of these financial statements.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

1. IDENTIFICATION AND PRINCIPAL ACTIVITY

Jamaica Promotions Corporation (the "Corporation") was established on 26 April 1990 as a Statutory Corporation under the Jamaica Promotions Corporation Act ("the Act") with the objectives of stimulating, facilitating and promoting the development of trade and industry, export trade and investment activities in all sectors of the Jamaican economy. The Corporation is incorporated and domiciled in Jamaica with its registered office located at 18 Trafalgar Road, Kingston 10, Jamaica.

The Corporation is exempted from income tax, customs duty, stamp duties and transfer taxes under the provision of the Jamaica Promotions Corporation Act 1990.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

(b) Basis of preparation

The financial statements are presented in Jamaica dollars and are prepared on the historical cost basis. Historical cost is generally based on fair value of the consideration given in exchange for assets.

New, revised and amended standards and interpretations that became effective during the year but are not applicable to the Corporation

The Corporation applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2020. The Corporation has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although these new standards, amendments and interpretations are applied for the first time in 2020/2021, they did not have a material impact on the financial statements of the Corporation. The nature and the impact of these new changes are described below:

- **Amendments to IFRS 3: Definition of a Business**

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Corporation, but may impact future periods should the Corporation enter into any business combinations.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (continued)

New, revised and amended standards and interpretations that became effective during the year but are not applicable to the Corporation (continued)

- ***Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform***

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Corporation as it does not have any interest rate hedge relationships.

- ***Amendments to IAS 1 and IAS 8 Definition of Material***

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of the Corporation.

- ***Conceptual Framework for Financial Reporting***

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Corporation.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (continued)

Standards, interpretations and amendments to existing standards that are not yet effective and have not yet been early adopted by the Corporation

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Corporation's financial statements are disclosed below. The Corporation intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- ***Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures***

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint ventures, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint ventures. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Corporation will apply these amendments when they become effective but they are not expected to have an impact on the Corporation's financial statements.

- ***IFRS 17 Insurance Contracts***

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Corporation.

2. **STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(b) **Basis of preparation (continued)**

Standards, interpretations and amendments to existing standards that are not yet effective and have not yet been early adopted by the Corporation (continued)

- ***Amendments to IFRS 16 Covid-19 Related Rent Concessions***

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment is not expected to impact on the financial statements of the Corporation.

- ***Amendments to IAS 1: Classification of Liabilities as Current or Non-current***

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. Management has not yet assessed the impact of these amendments on the Corporation's financial statements.

- ***Reference to the Conceptual Framework – Amendments to IFRS 3***

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (continued)

Standards, interpretations and amendments to existing standards that are not yet effective and have not yet been early adopted by the Corporation (continued)

- ***Reference to the Conceptual Framework – Amendments to IFRS 3 (continued)***

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. Management has not yet assessed the impact of these amendments on the Corporation's financial statements.

- ***Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16***

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendment is not applicable to the financial statements of the Corporation.

- ***Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37***

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Corporation will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (continued)

Standards, interpretations and amendments to existing standards that are not yet effective and have not yet been early adopted by the Corporation (continued)

- ***Annual Improvements 2018-2020 Cycle (issued May 2020)***

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to:

- ***IFRS 1 First-time Adoption of International Financial Reporting Standards.***

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not applicable to the financial statements of the Corporation.

- ***IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities***

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Corporation will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Corporation.

- ***IAS 41 Agriculture – Taxation in fair value measurements***

The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not applicable to the financial statements of the Corporation.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (continued)

Standards, interpretations and amendments to existing standards that are not yet effective and have not yet been early adopted by the Corporation (continued)

- ***Interest Rate Benchmark Reform – Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16***

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred. Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognized. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognized in profit or loss. The practical expedient is required for entities applying IFRS 4 that are using the exemption from IFRS 9 (and, therefore, apply IAS 39) and for IFRS 16 Leases, to lease modifications required by IBOR reform.

The amendments also include temporary relief from discontinuing hedging relationships and temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The amendments are mandatory, with earlier application permitted. Hedging relationships must be reinstated if the hedging relationship was discontinued solely due to changes required by IBOR reform and it would not have been discontinued if the phase two amendments had been applied at that time. While application is retrospective, an entity is not required to restate prior periods.

These amendments are effective for annual periods beginning on or after 1 January 2021. The amendments are not expected to have a material impact on the Corporation.

- ***Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2***

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (continued)

Standards, interpretations and amendments to existing standards that are not yet effective and have not yet been early adopted by the Corporation (continued)

- *Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (continued)*

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

In the absence of a definition of the term 'significant' in IFRS, the IASB decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in IFRS and is widely understood by the users of financial statements, according to the IASB.

In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them.

Although standardised information is less useful to users than entity-specific accounting policy information, the IASB agreed that, in some circumstances, standardised accounting policy information may be needed for users to understand other material information in the financial statements. In those situations, standardised accounting policy information is material, and should be disclosed.

The amendments to the PS also provide examples of situations when generic or standardised information summarising or duplicating the requirements of IFRS may be considered material accounting policy information.

The amendments may impact the accounting policy disclosures of entities. Determining whether accounting policies are material or not requires use of judgement. Therefore, entities are encouraged to revisit their accounting policy information disclosures to ensure consistency with the amended standard.

Entities should carefully consider whether 'standardised information, or information that only duplicates or summarises the requirements of the IFRS' is material information and, if not, whether it should be removed from the accounting policy disclosures to enhance the usefulness of the financial statements.

These amendments are effective for annual periods beginning on or after 1 January 2023. Management has not yet assessed the impact of these amendments on the financial statements of the Corporation.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (continued)

Standards, interpretations and amendments to existing standards that are not yet effective and have not yet been early adopted by the Corporation (continued)

- ***Definition of Accounting Estimates - Amendments to IAS 8***

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'.

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the IASB. The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities' financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

These amendments are effective for annual periods beginning on or after 1 January 2023. Management has not yet assessed the impact of these amendments on the financial statements of the Corporation.

(c) Estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. A revision to accounting estimate is recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimate with a significant risk of material adjustment in the next financial year are discussed below:

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Estimates and judgements (Continued)

Post -employment pension

As disclosed in Note 8, the Corporation operates a defined benefit pension plan. The asset shown in the statement of financial position of approximately \$508.453 million (2020: \$403.770 million) are subject to estimates in respect of periodic costs, which costs are dependent on future returns on assets, future discount rates, rates of salary increases and the inflation rate. External actuaries are contracted by the Corporation in this regard.

The estimated return on pension assets assumption is determined by considering long-term historical returns, asset allocation and future estimates of long-term investment returns. The Corporation estimates the appropriate discount rate annually, which rate is used to determine the present value of estimated cash outflows expected to be required to settle the pension and post-retirement medical benefit obligation.

To determine the appropriate discount rate in the absence of high quality corporate bonds, the interest rates on government bonds that have maturities approximating the related pension liabilities were considered.

Note 8(viii) details some sensitivity analyses in respect of this defined benefit pension plans.

(d) Current versus non-current classification

The Corporation presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Corporation classifies all other liabilities as non-current.

JAMAICA PROMOTIONS CORPORATION

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Fair value measurement

Fair values of financial instruments measured at amortized cost are disclosed in Note 13.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Corporation.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Corporation uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Corporation determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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NOTES TO THE FINANCIAL STATEMENTS

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities (other than financial assets and liabilities at fair value through profit or loss), as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in operating surplus.

Financial assets

(i) *Classification and measurement*

Financial assets are classified, at initial recognition at fair value, and subsequently measured at amortized cost. This classification depends on the financial assets contractual cash flow characteristics and the Corporation's business model of managing them. Except for trade receivables that do not contain a significant financing component or for which the Corporation has applied the practical expedient, the Corporation initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

For a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This is referred to as the SPPI test and is performed at an instrument level.

The Corporation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace and are recognized on the trade date.

Financial assets are subsequently measured at amortised cost if both of the following conditions are met:

- The financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial assets (continued)

(i) *Classification and measurement* (continued)

Financial assets at amortised costs are subsequently measured using the effective interest method and are subject to impairment. Gains or losses are recognised in operating surplus when the asset is recognised or impaired.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees or points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial assets, or where appropriate, a shorter period to the net carrying amount on initial recognition. Interest income is recognized on an effective interest basis for debt instruments.

The Corporation's portfolio of financial assets at amortised cost comprise cash and cash equivalents, securities purchased under resale agreements and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and other highly liquid bank deposits with financial institutions with an original maturing of 3 months or less from date of acquisition and are held to meet cash requirement rather than for investment purposes.

Securities purchased under resale agreements (resale agreements)

Securities purchased under resale agreements are short-term transactions in which the Corporation makes funds available to other parties and in turn receives securities which it agrees to resell on a specified date at a specified price. Resale agreements are accounted for as short-term collateralised lending. The difference between the purchase and resale price is treated as interest and accrued over the lives of the agreements.

(ii) *Impairment of financial assets*

The Corporation recognises an allowance for expected credit losses (ECLs) for all its debt instruments held at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Corporation expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial assets (continued)

(ii) *Impairment of financial assets (continued)*

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Corporation applies a simplified approach in calculating ECLs. Therefore, the Corporation does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Corporation has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Corporation considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Corporation may also consider a financial asset to be in default when internal or external information indicates that the Corporation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Corporation. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(iii) *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Corporation's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or;
- The Corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Corporation has transferred substantially all the risks and rewards of the asset, or (b) the Corporation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial assets (continued)

(iii) Derecognition (continued)

When the Corporation has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Corporation continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Corporation also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Corporation has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Corporation could be required to repay.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Corporation are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement, and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities are classified as other financial liabilities.

Effective interest rate method (EIR)

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(i) Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities and initially measured at fair value, net of transactions costs (where applicable). They are subsequently measured at amortised costs using the effective interest rate method, with interest expense recognised on an effective yield basis except for short term liabilities when the recognition of interest would be immaterial.

The Corporation's financial liabilities comprise trade and other payables.

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial liabilities and equity instruments (continued)

(ii) *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive loss.

(iii) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(g) Related party transactions and balances

A party is related to the Corporation if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - controls, is controlled by, or is under common control with, the Corporation (this includes parent, subsidiaries and fellow subsidiaries);
 - has an interest in the entity that gives it significant influence over the Corporation; or
 - has joint control over the Corporation;
- (ii) the party is an associate of the Corporation;
- (iii) the party is a joint venture in which the Corporation is a venturer;
- (iv) the party is a member of the key management personnel of the Corporation or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Corporation, or of any entity that is a related party of the Corporation.

Related party transactions and balances are recognized and disclosed in the financial statements. A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Transactions with related parties are accounted for in accordance with the normal policies of the Corporation.

(h) Deferred income

Deferred income is recognised when there is reasonable assurance that the amounts will be received, and all attached conditions will be complied with. When the amounts received relate to an asset, it is recognised in operating surplus in equal amounts over the expected useful life of the related asset.

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(Expressed in Jamaican dollars unless otherwise stated)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Property and equipment

All property held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at historical cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Land is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than land and works in progress) less their residual values, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in operating surplus.

(j) Impairment of intangible and tangible assets

At the end of each reporting period, the Corporation reviews the carrying amounts of its intangible and tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in operating surplus.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in operating surplus.

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefits

Employee benefits comprise all forms of consideration given by the Corporation in exchange for service rendered by employees. These include current or short-term benefits such as salaries, National Insurance Scheme contributions paid, annual unused vacation, and non-monetary benefits, such as medical care; post-employment benefits, such as pension; other long-term employee benefits such as long service awards; and termination benefits.

Defined benefit pension plan

In respect of defined-benefit arrangements, employee benefits, comprising pensions and other post-employment assets, and obligations included in the financial statements are determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations are conducted in accordance with IAS 19, and the financial statements reflect the Corporation's post-employment benefit assets and obligations as computed by the actuary. In carrying out their audit, the auditors rely on the work of the actuary and the actuary's report.

The cost of providing benefits is determined using the Projected Unit Credit Method with external actuarial valuations being carried out at the end of each reporting period.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding net interest), are recognised immediately in the statement of financial position with a corresponding debit or credit to accumulated surplus through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Corporation recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Corporation recognises the following changes in the net defined benefit obligation under employee benefit costs in the statement of income:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

General benefits

Employee benefits that are earned as a result of past or current service are recognised in the following manner: Short-term employee benefits are recognised as a liability, net of payments made, and are expensed as the related service is provided.

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefits (continued)

General benefits (continued)

The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave other long-term benefits, including termination benefits, which arise when either: (1) the employer decides to terminate an employee's employment before the normal retirement date; or (2) an employee decides to accept voluntary redundancy in exchange for termination benefits, are accrued as they are earned and charged as an expense, unless not considered material, in which case they are charged when the payment is made.

(l) Provisions

Provisions are recognised when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Corporation will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(m) Revenue recognition

Government subventions and other grants (including sponsorship income)

These are recognised when there is reasonable assurance that the Corporation will comply with the conditions attached to the grants and that the grants will be received.

Grants are recognised in profit or loss on a systematic basis over the periods in which the Corporation recognises the related costs for which the grants are intended to compensate. Specifically, grants whose primary condition is that the Corporation should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to operating surplus on a systematic and rational basis over the useful lives of the related assets.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Corporation with no future related costs are recognised in operating surplus in the period in which they become receivable or on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expired.

Grants related to income are reported separately as income or deducted from related expenses.

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue recognition (continued)

Certification fees

These are recognised on an accrual basis.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Corporation and the amount of the income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Rental income

The Corporation's policy for recognition of revenues from operating leases is described under "leases" below.

(n) Leases

The Corporation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Corporation as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(o) Foreign currencies

The financial statements are presented in Jamaican dollars, the currency of the primary economic environment in which the Corporation operates (its functional currency).

In preparing the financial statements of the Corporation, transactions in currencies other than the Corporation's functional currency, are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured in fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e. translation differences on items whose fair values gain is recognised in other comprehensive income or operating surplus are also recognised in other comprehensive income or operating surplus, respectively). Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. All other exchange differences are recognised in operating surplus in the period in which they arise.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Jamaican dollars unless otherwise stated)

3. CASH AND CASH EQUIVALENTS AND SECURITIES PURCHASED UNDER RESALE AGREEMENTS

(a) Cash and cash equivalents

	2021 \$	2020 \$
Cash at bank	65,891,087	112,245,033
Cash on hand	457,834	487,701
	<u>66,348,921</u>	<u>112,732,734</u>

Interest is earned on Euro dollar bank balances totaling €3,534 (2020: €2,765) at an interest rate of 0.05% (2020: 0.05%) per annum and on United States dollar bank balances totaling US\$99,288 (2020: US\$70,246) at an interest rate of 0.15% (2020: 0.15%) per annum.

Bank balances held in United States dollars, Pound Sterling, Euro and Canadian dollars respectively as at 31 March 2021 are as follows: US\$117,419, £24,761, €3,534 and CAD\$4,079 (2020: US\$98,310, £5,043, €2,765 and CAD\$6,600).

(b) Securities purchased under resale agreements

	2021 \$	2020 \$
Jamaican dollars	126,554,811	45,136,537
United States dollars	105,679,794	96,036,822
	<u>232,234,605</u>	<u>141,173,359</u>

Interest is earned on Jamaica dollar deposits at interest rates of 2.00% - 2.75% (2020: 3.50%) per annum and for United States dollar deposits at interest rates of 1.90% - 2.90% (2020: 1.20% - 2.90%) per annum, maturing one to two months (2020: one to three months) after year end.

Deposit balances held in United States dollars for the year ended 31 March 2021 amount to US\$738,145 (2020: US\$724,656).

Underlying securities such as Government of Jamaica, Bank of Jamaica and Corporate bonds are held as collateral for securities purchased under resale agreement as at 31 March 2021 amounting to US\$818,746 and J\$132,313,000 (2020: US\$641,553 and J\$57,563,684).

Interest receivable at 31 March 2021 amounted to \$255,686 (2020: \$183,423).

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

3. CASH AND CASH EQUIVALENTS AND SECURITIES PURCHASED UNDER RESALE AGREEMENTS (CONTINUED)

(b) Securities purchased under resale agreements (continued)

Included in securities purchased under resale agreements are the following amounts that were received in respect of specific projects:

- (i) \$24,435,963 (2020: \$27,346,867) received for specified investment promotion activities, for The Jamaica International Financial Services Authority (JIFSA), formerly International Financial Services Centre Project (IFSC) (see Note 5 (i)). This amount is only to be used to carry out this project.
- (ii) \$4,381,306 (2020: \$4,381,306) received for specified investment promotion activities (see Note 5(iii)). This amount is only to be used to carry out this project.
- (iii) \$9,383,688 (2020: \$9,203,019) placed on deposit in the name of the Corporation, which relates to amounts received which now sits under the Ministry of Industry, Investment and Commerce (MIIC) for aiding in the development of cultural art (see Note 6). Movement in balance represents interest earned during the year. This amount is only to be used to carry out this project.
- (iv) \$24,307,363 (2020: \$21,629,605) received from Sponsors (Export Max III Project) - with respect to providing capacity building and export promotion support to 50 participating companies (see Note 5). This amount is only to be used to carry out this project.

4. TRADE AND OTHER RECEIVABLES

	2021 \$	2020 \$
Prepaid expenses	3,346,562	6,706,000
Global Services Sector Project (GSSP) (Note 4(i))	5,356,320	5,890,375
Other receivables (Note 4(ii))	10,189,851	10,844,232
	<u>18,892,733</u>	<u>23,440,607</u>

- (i) These represent amounts due from the Global Services Sector Project (GSSP), for advanced payments made on behalf of the project as the Executing Agency for the Skills Development for Global Services, funded by the IDB loan.
- (ii) This includes an amount of \$800,314 (2020: \$667,225) due from the Government of Jamaica relating to statutory deductions recoverable (Accountant General).

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

5. TRADE AND OTHER PAYABLES

	2021 \$	2020 \$
Jamaica International Financial Services Authority (Note 5(i))	24,435,963	27,346,867
Trade Payables	39,785,659	41,347,524
Export Max III Sponsorship (Note 5(ii))	24,307,363	21,629,605
Garth Solutions Inc.	14,658,130	13,803,092
Clear Channel Airports	-	2,636,330
Business Wire (News Aggregators)	2,931,626	-
Accrued Expenses (Others)	10,261,372	9,862,040
Advertising Services	-	812,345
Online-database Development & Deployment	-	1,523,147
Caribbean Infrastructure Forum	-	947,736
Maintenance Due to Tenants	174,899	1,012,923
Jamaica High Commission London	2,721,152	-
Staff Costs Payable	52,576,733	31,005,559
Incentives and Gratuities	77,692,745	70,488,323
CART Fund (Note 5(iii))	5,758,300	1,195,374
General Consumption Tax Payable	24,612,688	27,017,437
Other Payables (Note 5(iv))	7,910,526	6,060,616
	<u>287,827,156</u>	<u>256,688,918</u>

- (i) This represents unspent accumulated amounts in respect of funds received from the Government of Jamaica and various sponsors to fund the Jamaica International Financial Services Authority (JIFSA) project.
- (ii) This represents balance remaining from sponsorship funds received to date to provide capacity building and export promotion support to 50 participating companies.
- (iii) The Corporation advanced funds on behalf of the CART Fund for specified investment promotion activities. This amount is reimbursed by the CART Fund for expenditure incurred on behalf of the project. Since March 2020 amounts reimbursed by the Caribbean Development Bank (CDB) was in excess of the amount owed.
- (iv) This includes \$4,381,306 (2020: \$4,381,306) received in advance for specific investment promotions activities (see Note 3(b)(ii)).

6. GRANTS RECEIVED IN ADVANCE

These are unspent balances in respect of funds received from the Ministry of Industry, Commerce & Technology for aiding in the development of cultural art (see Note 3(b) (iii)).

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

7. PROPERTY AND EQUIPMENT

	Land and buildings	Furniture equipment and computers	Motor vehicles	Total
	\$	\$	\$	\$
At cost or deemed cost:				
1 April 2019	212,458,214	149,443,607	36,084,281	397,986,102
Additions	-	16,754,515	-	16,754,515
Disposals	-	(4,057,408)	(2,299,000)	(6,356,408)
31 March 2020	212,458,214	162,140,714	33,785,281	408,384,209
Additions	6,115,187	2,934,806	10,767,896	19,817,889
31 March 2021	218,573,401	165,075,520	44,553,177	428,202,098
Depreciation:				
1 April 2019	85,661,748	120,126,837	11,443,070	217,231,655
Charge for the year	5,239,985	7,134,532	6,483,302	18,857,819
Disposals	-	(1,829,897)	(2,299,000)	(4,128,897)
31 March 2020	90,901,733	125,431,472	15,627,372	231,960,577
Charge for the year	5,239,985	8,361,634	8,457,416	22,059,035
31 March 2021	96,141,718	133,793,106	24,084,788	254,019,612
Net book values:				
31 March 2021	122,431,683	31,282,414	20,468,389	174,182,486
31 March 2020	121,556,481	36,709,242	18,157,909	176,423,632

The depreciation rates are as follows:

Buildings	2½%
Furniture and equipment	10%
Computers	20%
Motor vehicles	20%

8 EMPLOYEE BENEFIT ASSET

The Corporation operates a defined benefit pension plan for all permanent employees. The plan is funded by employee contributions of 5% of pensionable earnings, and employer contributions as recommended by independent actuaries. The plan allows all permanent employees to make voluntary contributions of up to 10% of annual pensionable earnings. Annual pension at retirement is based on the average annual rate of pensionable earnings for the last three years prior to retirement.

The Board of Trustees of the pension fund is comprised of representatives selected by the employer and members of the plan. The Board of Trustees of the pension fund is required by law to act in the interest of the fund and all relevant stakeholders.

The Plan's investment portfolio is managed by Sagicor Life Jamaica Limited and the fund administrator is Employee Benefits Administrator Limited.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Jamaican dollars unless otherwise stated)

8 EMPLOYEE BENEFIT ASSET (CONTINUED)

Amounts recognised in the financial statements in respect of post-employment employee benefits comprise the following:

	2021 \$	2020 \$
Pension asset:		
Fair value of plan assets	2,083,738,000	1,959,089,000
Present value of defined benefit obligation	(609,257,000)	(451,097,000)
Net assets	1,474,481,000	1,507,992,000
Asset not recognised due to limitation in economic benefits	(966,028,000)	(1,104,222,000)
Asset recognized in the statement of financial position	508,453,000	403,770,000

Plan assets consist of the following:

	2021		2020	
	%	\$	%	\$
Pooled Equity Fund	17	361,580,000	19	365,224,000
Pooled Fixed Income Fund	6	120,539,000	6	112,931,000
Pooled Foreign Currency Fund	6	125,787,000	5	102,085,000
CPI Indexed Fund	-	3,789,000	-	-
Diversified Investment Fund	67	1,390,076,000	67	1,322,844,000
Ordinary shares	-	9,247,000	1	9,922,000
Purchased annuities	5	95,948,000	3	61,047,000
Net benefit adjustments	(1)	(23,228,000)	(1)	(14,964,000)
	100	2,083,738,000	100	1,959,089,000

The expected contributions to the plan for the twelve months ending 31 March 2022 amount to \$10,846,000 (2020: twelve months ended 31 March 2021 - \$10,650,000).

Weighted average duration of obligation is approximately 31 years (2020: 33 years).

(i) Movements in the net asset recognised in the statement of financial position:

	2021 \$	2020 \$
Balance at beginning of year	403,770,000	212,066,000
Employer's contributions	744,000	710,000
Change recognised in operating surplus	665,000	(339,000)
Remeasurements gain recognised in OCI	103,274,000	191,333,000
Balance at end of year	508,453,000	403,770,000

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

8. EMPLOYEE BENEFIT ASSET (CONTINUED)

(ii) Movement in plan assets:

	2021	2020
	\$	\$
Fair value of plan assets as at beginning of year	1,959,089,000	2,096,448,000
Contributions paid into the plan	10,243,000	9,928,000
Benefits paid by the plan	(94,826,000)	(29,461,000)
Interest income on plan assets	126,809,000	146,528,000
Value of annuities purchased	67,973,000	-
Remeasurement - changes in financial assumptions	(6,877,000)	2,035,000
Remeasurement - experience adjustments	21,327,000	(266,389,000)
	<u>2,083,738,000</u>	<u>1,959,089,000</u>
Fair value of plan assets as at end of year		
	<u>2,083,738,000</u>	<u>1,959,089,000</u>
Actual return on plan assets	6%	-6%

(iii) Change recognised in operating surplus:

	2021	2020
	\$	\$
Current service costs	25,908,000	15,526,000
Interest on obligations	28,462,000	23,193,000
Expected return on plan assets	(126,809,000)	(146,528,000)
Interest on effect of the asset ceiling	71,774,000	108,148,000
	<u>(665,000)</u>	<u>339,000</u>

(iv) Items in other comprehensive income:

	2021	2020
	\$	\$
Change in financial assumptions	(122,729,000)	32,158,000
Experience adjustments	19,455,000	(223,491,000)
	<u>(103,274,000)</u>	<u>(191,333,000)</u>

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

8. EMPLOYEE BENEFIT ASSET (CONTINUED)

v) Present value funded obligation:

	2021	2020
	\$	\$
Present value of funded obligation at beginning of year	451,097,000	339,408,000
Current service cost	25,908,000	15,526,000
Interest cost on defined benefit obligation	28,462,000	23,193,000
Members' contributions	9,499,000	9,218,000
Benefits paid	(94,826,000)	(29,461,000)
Value of annuities purchased	67,973,000	-
Remeasurement-changes in assumptions	(129,606,000)	34,193,000
Remeasurement-experience adjustments	250,750,000	59,020,000
	<u>609,257,000</u>	<u>451,097,000</u>
Present value of defined benefit obligation at end of year	<u>609,257,000</u>	<u>451,097,000</u>

(vi) Movement in effect of asset ceiling:

	2021	2020
	\$	\$
Effect of asset ceiling at beginning of year	1,104,222,000	1,544,974,000
Interest on asset	71,774,000	108,148,000
Remeasurement effect	(209,968,000)	(548,900,000)
	<u>966,028,000</u>	<u>1,104,222,000</u>
Effect of asset ceiling at end of year	<u>966,028,000</u>	<u>1,104,222,000</u>

(vii) Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	2021	2020
Discount rate	8.5%	6.50%
Pay growth	6.5%	4.00%
Pension increases	5.5%	3.00%
Administrative expenses (% of salary)	2.0%	2.00%
Inflation	5.5%	3.00%
Minimum funding rate	0.25%	0.25%

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

8. EMPLOYEE BENEFIT ASSET (CONTINUED)

(viii) Sensitivity analysis:

The calculation of the projected obligation is sensitive to the assumptions used. The table below summaries how the defined benefit obligation measured at the end of the reporting period would have increased/decreased) as a result of a change in the assumptions by one percentage point. In preparing the analysis for each assumption, all other were held constant.

	2021		2020	
	1% Increase	1% Decrease	1% Increase	1% Decrease
	\$	\$	\$	\$
Discount rate	(90,369,000)	121,678,000	(71,555,000)	97,674,000
Salary growth	49,606,000	(41,593,000)	43,317,000	(36,383,000)
Pension increase	69,967,000	(59,362,000)	51,453,000	(43,575,000)
	1 year increase	1 year decrease	1 year increase	1 year decrease
Life expectancy	12,443,000	(12,452,000)	8,128,000	(8,196,000)

The five-year trend for the fair value of plan assets, the defined benefit obligation, the surplus in the plan and experience adjustments for the plan asset and liabilities is as follows:

	2021	2020	2019	2018	2017
	\$	\$	\$	\$	\$
Fair value of plan assets	2,083,738,000	1,959,089,000	2,096,448,000	2,093,369,000	1,712,367,000
Assets not recognised due to limitation in economic benefits	(966,028,000)	(1,104,222,000)	(1,544,974,000)	(1,415,333,000)	(1,180,271,000)
Defined benefit obligations	(609,257,000)	(451,097,000)	(339,408,000)	(378,425,000)	(307,252,000)
Surplus	508,453,000	403,770,000	212,066,000	299,611,000	224,844,000
Experience adjustments - Fair value of plan assets	21,327,000	(266,389,000)	(149,579,000)	217,145,000	1,912,000
Defined benefit obligations	250,750,000	59,020,000	(120,052,000)	(108,465,000)	16,589,000

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

8. EMPLOYEE BENEFIT ASSET (CONTINUED)

Risks associated with pension plans and other employee benefit plans

Through its defined benefit pension plan, the Corporation is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets underperform this yield, this will create a deficit.

As the plan matures, the Corporation intends to reduce the level of investment risk by investing more in assets that better match the liabilities. This process includes monitoring and rebalancing the asset classes and the maturity profile of assets within these classes. The Government bonds largely represent investments in Government of Jamaica securities.

However, the Corporation believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Corporation's long-term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk

Higher inflation will lead to higher liabilities in the event that discretionary pension increases are granted. This risk is managed by the plan not having significant investment in fixed rate securities.

9. CAPITAL RESERVES

	2021 \$	2020 \$
Gain on disposal of land and building	16,420,395	16,420,395
Surplus on disposal of real estate	80,215,145	80,215,145
Excess of the value of assets over liabilities vested in the Corporation	1,675,556	1,675,556
Realised surplus on disposal of buildings	86,002,348	86,002,348
Realised surplus on disposal of equipment	591,000	591,000
Realised surplus on revaluation of furniture and fixtures	9,656,146	9,656,146
Realised surplus on revaluation of computers	3,069,096	3,069,096
	<u>197,629,686</u>	<u>197,629,686</u>

JAMAICA PROMOTIONS CORPORATION**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021****(Expressed in Jamaican dollars unless otherwise stated)****10. GROSS OPERATING REVENUE**

	2021	2020
	\$	\$
Government grants	727,224,663	855,314,841
Certification fees	1,918,306	2,156,114
Rental income	27,404,964	23,940,057
Sponsorship income (Note 10(a))	-	5,398,487
Other income	10,869,581	27,133,685
	<u>767,417,514</u>	<u>913,943,184</u>

(a) During the financial year ended 31 March 2020, this included gross amounts received as contribution towards the Caribbean Hotel Investment Conference and Operations Summit (CHICOS) 2019 held November 14-15, 2019 which amounted to \$5.4 million.

11. DISCLOSURE OF EXPENSES**(i) Promotional**

	2021	2020
	\$	\$
Advertising and Promotion (Others) (Note 11(i)(a))	36,763,740	99,051,961
Foreign and Local Travel and Subsistence	2,326,235	46,561,251
Professional Fees (Others)	4,884,264	13,622,141
In-Market Brokers Services	17,400	1,910,414
Euro In-market Study-Non-traditional Export (Note 11(i)(b))	-	9,297,456
ICT/BPO Industry Coordinator (Note 11(i)(c))	2,859,998	10,837,545
Contract Manufacturing Videos Development	2,900,000	-
Sales Training Programme - Value Selling Associates Inc.	-	5,593,622
National Export Strategy Coordinator	1,500,000	1,500,000
Digital Marketing Services	2,042,880	-
National Business Portal	3,441,090	1,400,608
Export Max III Coordinator	6,066,667	3,803,223
Film Lab Jamaica	-	2,990,000
Mailing and Shipping	171,448	-
Entertainment	323,142	10,352,631
Books, Publications and Subscription	8,068,764	7,898,150
Business Wire	2,931,600	-
Office 365 Licences	4,171,569	3,986,522
Euro Online Database Development & Deployment	-	6,093,000
CRM Software (Note 11(i)(d))	7,047,000	-
ZoomInfo	1,950,000	-
Cial Dun & Bradstreet Due Diligence Reports	1,131,000	-
	<u>88,596,797</u>	<u>224,898,524</u>

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

11. DISCLOSURE OF EXPENSES (CONTINUED)

(i) Promotional (continued)

- (a) This includes exhibitions and fairs held locally and overseas with a total cost of \$7,243,966 (2020: \$52,407,301).
- (b) This represented non-traditional export consultancy to conduct a market study on the situation in the food and beverage industry, identify market opportunities in Canada, UK and USA and provide customized market and analysis research and underlying data.
- (c) This represents consultancy costs to promote the BPO industry in Jamaica, provide a policy and incentive framework to expand the industry, facilitate the provision of infrastructure development and enhance the labour market.
- (d) This represents 54 licenses acquired for use of CRM Software. Customization of the software and relevant training will be conducted in the financial year 2021-2022.

(ii) Staff-related

	2021	2020
	\$	\$
Salaries, statutory payments and gratuities	448,526,774	408,168,019
Staff benefits	95,901,328	108,432,653
Pension benefit, net (Note 8)	(665,000)	339,000
Unused vacation leave	20,184,637	12,399,514
Staff training	3,278,315	3,039,517
	<u>567,226,054</u>	<u>532,378,703</u>

The average number of persons employed by the Corporation during the year was 96 (2020: 94).

(iii) General and administrative

	2021	2020
	\$	\$
Utilities	28,846,563	26,102,794
General Consumption Tax expense	14,934,790	15,427,748
Depreciation, net of allocation to tenants	22,059,035	18,857,819
Repairs and maintenance	17,550,439	19,370,107
Office supplies and other operating expenses (Note 11(iii)(a))	5,518,245	10,883,641
Other expenses	1,140,328	1,921,554
Foreign exchange gains (net)	(6,811,213)	(3,503,057)
Insurance	5,810,346	4,815,587
Security	2,981,728	2,846,190
Motor vehicle and travelling (Note 11(iii)(a))	1,571,226	3,371,725
Office rental	8,349,840	6,006,893
Professional fees	1,071,580	3,541,195
Stationery (Note 11(iii)(a))	826,254	1,959,905
Audit fees	2,357,000	2,249,000
Bank charges	1,304,243	1,940,186
Directors' fees	1,045,200	1,259,650
Loss on fixed assets disposal	-	2,227,511
	<u>108,555,604</u>	<u>119,278,448</u>
Total expenses	<u>764,378,455</u>	<u>876,555,675</u>

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

11. DISCLOSURE OF EXPENSES (CONTINUED)

- (a) The decrease in these expenses over previous year is due to the work-from-home order instituted by the Government in order to limit the spread of COVID-19.

12. RELATED PARTY BALANCES AND TRANSACTIONS

- (i) The statement of financial position includes balances arising in the ordinary course of business with related parties as follows:

	2021 \$	2020 \$
Trade and other receivables:		
Government of Jamaica	<u>800,314</u>	<u>667,225</u>
Trade and other payables:		
Government of Jamaica	<u>25,673,120</u>	<u>27,017,437</u>

- (ii) Transactions with related parties are disclosed in the relevant notes to the financial statements.

	2021 \$	2020 \$
Compensation of key management personnel	<u>59,295,303</u>	<u>55,620,792</u>

13. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES

The Corporation has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. This note presents information about the Corporation's exposure to each of the above risks, the Corporation's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Corporation, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's other receivables, cash and cash equivalents and securities purchased under agreements to resell.

The maximum exposure to credit risk at the reporting date is represented by the carrying value of its financial assets in the statement of financial position.

	2021 \$	2020 \$
Trade and other receivables	15,546,171	16,734,607
Cash and cash equivalents	65,891,087	112,245,033
Securities purchased under resale agreements	<u>232,234,605</u>	<u>141,173,359</u>
	<u>313,671,863</u>	<u>270,152,999</u>

JAMAICA PROMOTIONS CORPORATION

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(Expressed in Jamaican dollars unless otherwise stated)

13. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(i) Credit risk (Continued)

Trade and other receivables

Management establishes an allowance for impairment that represents its estimate of losses in respect of other receivables. Management's policy is to provide for balances based on past default experience, current economic conditions and expected recovery.

Cash and cash equivalents and securities purchased under resale agreements

These are placed with financial institutions with high credit ratings for short-term periods and management believes these institutions have minimal risk of default.

The Corporation's financial assets subject to the expected credit loss model within IFRS 9 are cash and other receivables. Based on management's assessment the impact of the impairment was considered immaterial. There were no financial assets that are considered past due and impaired. There is no concentration of credit risk within these assets. None of these assets are considered impaired and no amounts have been written off in the period.

These financial assets are expected to be received in three months or less. An amount is considered to be in default if it has not been received 90 days after it is due.

(ii) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

The Corporation manages this risk by maintaining an adequate level of liquid funds and relies on the Government of Jamaica for financial support, if needed.

The contractual outflows as at 31 March 2021 and 2020, for trade payable, JIFSA, staff costs payable and gratuity (excluding amounts received in advance) are represented by their statement of financial position carrying amount and require settlement within 12 months at the reporting date amounting to \$144,488,985 (2020: \$126,061,051).

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange and interest rates, will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage market risk exposures within acceptable parameters while optimising the return on risk.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

13. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(iii) Market risk (Continued)

(a) Foreign currency risk:

The Corporation's exposure to foreign currency risk is as follows:

	2021				2020			
	US\$	£	€	CAD\$	US\$	£	€	CAD\$
Cash and cash equivalents	117,419	24,761	3,534	4,079	98,310	5,043	2,765	6,600
Securities purchases under resale agreements	738,145	-	-	-	724,656	-	-	-
Trade and other receivables	15,028	-	-	-	15,701	-	-	-
Trade and other payables	(133,570)	(13,466)	(1,250)	-	(147,850)	(13,449)	-	(438)
Net exposure	737,022	11,295	2,284	4,079	690,817	(8,406)	2,765	6,162

Exchange rates, in terms of Jamaica dollars, were as follows:

	US\$	£	€	CAD\$
31 March 2021	143.17	195.16	167.07	116.59
31 March 2020	132.53	161.86	141.60	92.22

Sensitivity analysis

A 2% (2020: 3%) strengthening of the Jamaica dollar against the United States dollar, Pound Sterling, Euro and Canadian dollar against the Jamaica dollar at 31 March, would have decrease surplus for the year by \$2,171,664 (2020: \$2,734,595).

A 6% (2020: 7%) weakening of the Jamaica dollar against the United States dollar, Pound Sterling, Euro and Canadian dollar against the Jamaica dollar at March 31, would have increased surplus for the year by \$6,514,993 (2020: \$6,380,722). This analysis assumes that all other variables, in particular interest rates, remain constant.

(b) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Financial assets which are subject to fixed interest are as follows:

	2021 \$	2020 \$
Financial assets:		
Cash and cash equivalents	13,593,962	9,701,058
Securities purchased under resale agreements	232,234,605	141,173,359
	245,828,567	150,874,417

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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13. FINANCIAL AND CAPITAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(iii) Market risk (Continued)

(b) Interest rate risk continued:

Generally, the Corporation's financial instruments are at fixed rates, therefore a change in interest rates would not affect its cash flows.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is done on the same basis as in 2020.

(iv) Capital management

For the purpose of the Corporation's capital management, capital includes accumulated surplus and capital reserves. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern to enable the Corporation to continue to carry out its mandate as defined by the Government of Jamaica of stimulating, facilitating and promoting the development of trade and industry, export trade and investment activities in all sectors of the Jamaican economy. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 2020.

(v) Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where quoted market prices are not available, the fair values of these instruments have been determined using a generally accepted alternative method.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate the value.

<u>Financial Instruments</u>	<u>Method</u>
Cash and cash equivalents, securities purchased under resale agreements, trade and other receivables and trade and other payables	Assumed to approximate their carrying values, due to their short-term nature

Fair value measurement recognised on the statement of financial position

There are no financial instruments included in the statement of financial position that are measured subsequent to initial recognition at fair value.

14. CORONAVIRUS (COVID – 19) UPDATE

On January 30, 2020, The World Health Organization declared the outbreak of a novel strain of Coronavirus (COVID-19) constituted a 'Public Health Emergency of International Concern'. This global outbreak and the response of governments worldwide to it, has disrupted economic activities across a wide range of industries.

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

(Expressed in Jamaican dollars unless otherwise stated)

14. CORONAVIRUS (COVID – 19) UPDATE (CONTINUED)

The duration and extent of the COVID-19 pandemic and related financial, social and public health impacts of the pandemic remain uncertain. As such, the actual economic events and conditions in the future may be materially different from those estimated by the Corporation at the reporting date. No matters have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Corporation. Currently personnel work remotely where possible. There has been no impact on the Corporation's operating performance except for the reduction of subvention revenues and consequent curtailment of overseas and promotional activities. The Corporation will continue to closely monitor the situation in order to plan its response, as necessary.



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