MANAGING THE TRADE SUPPORT NETWORK

Prepared by Jamaica Promotions Corporation (JAMPRO), the Private Sector Organisations of Jamaica and the Jamaica Exporters’ Association for the ITC regional Executive Forum on National Export Strategies, “Small States in Transition: From Vulnerability to Competitiveness”

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1.0 Introduction

Services delivered to members of the exporting sector are currently offered by a number of Public and Private sector entities. The current coordinated service offerings and network structure is still fairly new, as the member-agencies of the network continue to undergo changes. The main objective of the network is to ensure that a national business environment exists and is conducive to developing international competitiveness by the provision of relevant support services to current and aspiring exporters.

2.0 Historical Perspective

The Jamaica Chamber of Commerce is the oldest member of the Jamaican trade support network having been founded in 1779 (Kingston Chamber of Commerce). The Jamaica Manufacturers Association (JMA) was established in 1947 to promote the development of the manufacturing sector and increase its contribution to the socio-economic welfare of the country. The mandate was executed effectively and paved the way for the building of import substitution industries based on an inward oriented industrial development strategy. In the mid 1950's the Jamaica Industrial Development Corporation was formed with a portfolio for matters related to industrial development, provision of factory space, engineering services, food technology, industrial training and investment facilitation, inter alia.

Changes in the structure of world trade and the increasing emphasis on export trade, impacted on the local economy causing export promotion and trade to take on increasing importance. It is within this context that the Jamaica Exporters Association (JEA) was formed in 1965 to respond to the need within the private sector for a voice devoted to specifically to the needs of the growing export sector. Jamaica National Export Corporation (JNEC), established in 1976 under the Ministry of Foreign Affairs and Foreign Trade with export development and promotion functions primarily related to market development. Jamaica National Investment Promotions (JNIP), was created in 1981, to promote and facilitate investment from both local and overseas sources.

In an effort to rationalize the public sector’s involvement in the trade support network within a single body, the Jamaica Promotions Corporation (JAMPRO), was established in 1988. JAMPRO was an amalgamation of the: Jamaica Industrial Development Corporation (JIDC), Jamaica National Export Corporation (JNEC) and Jamaica National Investment Promotions (JNIP).

Other players in the trade support network include Jamaica Customs, Trade Board, Bureau of Standards Jamaica (BSAJ), Ministry of Agriculture (MINAG) through Plant Quarantine, Veterinary, Fisheries Divisions Shipping Association of Jamaica (SAJ), National Environmental Protection Agency (NEPA), Commodity Boards (Cocoa, Coffee and Coconut) Port Authority of Jamaica (PAJ), Caribbean Regional Negotiating Machinery (CRNM) and Scientific Research Council (SRC)
Figure 1: The Widening of the Network to include Private Sector

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<td><strong>Quality Standards</strong></td>
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<td><strong>Investment Promotion</strong></td>
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<td><strong>Trade facilitation services</strong></td>
<td>JNEC/JEA/Customs/Trade Board Industry Commodity Boards – Cocoa, Coconut &amp; Coffee</td>
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**Note 1:** Not all services offered by these agencies are listed, as some are not specific to the export sector.

**Note 2:** The Jamaica Tourist Board, under the Ministry of Tourism has always had sole responsibility for the promotion of the destination.

As separate entities were created, i.e. roles divested the level of coordination of the delivery of services widened. Not only were services spread across a greater number of public sector agencies, but some were turned over to the private sector. Basically, there were a greater number of agencies offering trade support services with little coordination, so that over the past (10) years, rather than moving to a tighter network structure we are becoming more fragmented. In an assessment, this was not necessarily seen as a bad thing, as it allows for specialization, but it will only function well with sufficient coordination.

In the period following the government’s divestment programme, and its handing over of some services to the private sector, private sector institutions, such as the PSOJ, received much needed assistance and funding from donor agencies in order to improve their capacity to deliver these new services.

¹ C.A.S.T., the College of Arts, Science and Technology is now the University of Technology, Utech.
services. This resulted in a private sector now enabled to join public sector agencies as capable trade support institutions. They also offered grant funding and cost-sharing programmes to their clients. The increased private sector participation in service delivery was not sustained as the donor programmes failed at effectively improving institutional capacity, as there was no transfer of knowledge and skills when the experts left. The private sector agencies have since enhanced their ability to effectively deliver trade services, and are again fully engaged.

3.0 The Current Network

The current trade support network consists of approximately 20 agencies from both the public and private sectors that offer services covering the four gears – border-in, border, border out and development. The emphasis of each agency in the network tends to be on those issues for which they have direct control, as well as on those with short-term implications. Results of this include formation of short-lived, specific sub-networks of immediately relevant agencies to address particular issues. When these responsive sub-networks are created, they tend not to coordinate on projects other than those they are currently working. Partnering on specific issues means that there are strong relationships that exist among some agencies, and strong service-specific networks have been developed. Some of these include effective trade facilitation and trade promotions sub-networks.

The characteristics of the broad network, based on the existence of fragmented sub-networks, and the focus on issues with immediate concern, therefore include:

- Lack of coordination on strategic planning among public sector bodies who may even share mandates
- Lack of coordination between providers from the public and private sectors
- Many services are not demand-driven nor demand-responsive
- Limited coordination of sub-networks

The result of these is that there is often (i) duplication of effort, much to the frustration of the exporter, (ii) non-alignment of related activities/services for complementarity and (iii) inefficient allocation and use of limited resources.

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<th>The Trade Support Network Members</th>
<th>Border In Capacity and Competency Development</th>
<th>Border-Out Market Access Market Development</th>
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4.0 JAMAICA’S Response to Network Coordination

This has always been a challenge for Jamaica, as historically the government agencies saw it as their role to regulate the various aspects of business in Jamaica. The private sector associations regulated their members and the vast number of enterprises was left to fend for themselves. Efforts were made to co-ordinate export missions and several memoranda of understanding were signed in response to specific needs. Having been the development agency with responsibility for exports, investments and industry/productivity, JAMPRO is still perceived as being the provider of most of these services as well as as coordinator of the delivery of these services. The role of coordinator
is even more relevant now as the agency falls under the Ministry of Development, whose mandate includes coordination of bodies and programmes in order to meet the development objectives with the little resources available to the Government of Jamaica. With this in mind, and with being the lead public sector body charged with export growth, JAMPRO has decided to take on the role of network coordinator. This takes place in the wider network as well as in sub-networks.

4.1 Delivering Services through Sub-Networks

As seen from the diagrams of the current network structure, JAMPRO shares responsibility with a number of different agencies for delivery of some services. As a service provider itself, the organization strives to deliver services in a coordinated approach. This approach may be described as a sub-network approach, where partnerships are developed with other agencies to deliver the same service to our clients.

Jamaica Trade Point: A coordinated approach to delivering trade facilitation services

Through the Jamaica Trade Point portal (JTP), the Jamaican business community receives trade facilitation services from what is fast becoming a comprehensive end-to-end online facility, delivering import / export application processing, credit card payments of fees and duties, trade and investment information, market intelligence research, funding and technical assistance options, and product / service display and promotion.

As a partnership with Jamaica Customs, the Trade Board, JAMPRO, the Shipping Association of Jamaica and the Port Authority of Jamaica, the JTP portal represents Jamaica’s first e-government initiative with citizens not only being able to access services from individual organizations online, but also benefiting from the integration of these sites into a complete national system. The services offered are organized under five (5) main categories, which are thought to be pivotal to the facilitation of business in Jamaica at this time: trade facilitation, business & market information, transportation options, banking and finance, and information & communications technologies (ICTs). Additionally, the portal embodies the efforts of both the public and private sectors with representative entities from both involved in congealing their systems to better serve the trading community.

A final issue worthy of note in the coordinated delivery of trade facilitation services through the JTP is the concomitant increase in institutional capacity for the institutions involved, particularly in the areas of e-competence and customer servicing. The mission of exceeding client expectations in the full facilitation of business is undertaken with the utmost intent.
An example of a sub-network/partnership that demonstrates cooperation between the public and private sectors is that of the JEA and JAMPRO. A sub-network on standards and quality is also being developed with the recent signing of an MOU by seven agencies involved in delivering such services and those that provide technical or funding assistance in that area. This sub-network emerged from the Quality Jamaica Project, but is likely to remain in place after the project life ends.

In addition to aligning existing programmes, there is coordination through the transition of programmes through the network. The National Industrial Policy of 1996 created Industry Advisory Councils (IACs) that were charged with developing strategy and programmes to address constraints and opportunities in their respective sectors. This was a government initiative, which was not able to fully implement the recommendations of the IACs because of resource constraints. The private sector therefore took the initiative to take the work of the IACs to be the basis of the Jamaica Cluster Competitiveness Committee (JCCP).

### 4.2 Role of the Overseas Representatives

Jamaica’s external representation consists primarily of diplomatic representatives, appointed by the Ministry of Foreign Affairs & Foreign Trade, and trade consuls and trade commissioners, appointed by JAMPRO. There are two (2) Trade Commissions located in London and New York.

The managing organisation reflects a more holistic perspective of broader issues of a national trade agenda. The value of this point lies in the fact that commercial representation must be viewed within the framework of a national trade agenda and therefore as an extension of the objectives outlined therein. In the National Industrial Policy (NIP) the broader objectives are stated as:

(i) To ensure that firms operating in all sectors of the Jamaican economy achieve competitive parity with their counterparts in other countries;
(ii) To focus investment activity on targeted areas of competitive advantage in the economy;
(iii) To support the push for expansion and diversification of exports; and
(iv) To increase the overall rate of investment and saving.

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Commercial representation that is managed by the agency, then, should be structured to fulfil these objectives and ensure that these interests are represented abroad. While there are a number of agencies and organisations, both public and private, engaged in one or more of these objectives, the organization legislated to effect these objectives is JAMPRO as an agent of the Ministry of Development. This ensures a linkage to the development objectives of the country, and their integration into the trade support network.

Commercial representation abroad currently serves the following purposes:

- To identify trade opportunities in target markets
- To sensitise overseas interests of opportunities in the local market
- To provide regular market intelligence on overseas markets
- To assist exporters in resolving matters overseas where no distributors are present
- To represent national interest on trade-related policy issues
- To facilitate commercial activities between home and host countries

**Policy advocacy services**

The agency is able to influence both government and private sector in being responsive to overseas interests in order to facilitate trade. JAMPRO is a statutory body that has both Ministry and private sector affiliations. As previously mentioned, the organisation is an agent of the Ministry of Development within the Office of the Prime Minister, and is therefore able to influence policy and refer suggestions through this relationship.

The agency is able to influence overseas interests in being responsive to government and local private sector needs in order to facilitate trade. In similar fashion, the agency, through its overseas representatives, has membership in key business associations and lobby groups to ensure that Jamaican interests are represented abroad.

**Trade Information Services**

In addition, the strategy of maintaining closer co-operation between Trade Commissions, Consuls and High Commissions aims to ensure that the knowledge gained from this body of experience is shared and therefore more universally available. Information obtained in the overseas markets is relayed to the domestic office for dissemination to stakeholders and clients, while the overseas offices are also recipients of information.

Recently, JAMPRO instituted a program aimed at improving the existing framework for commercial representation by facilitating increased involvement between Consuls or High Commissioners. In order to integrate trade commissioners into the delivery of services there is a programme a co-operation that includes the sharing of collateral material, market updates and general information so that representatives would be better equipped to manage commercial inquiries and seek opportunities themselves.

The broad objectives of this strategy are as follows:

i) To diffuse the existing knowledge base more equally among all partners;

ii) To increase the number of business-related inquiries by allowing commercial issues greater importance within diplomatic and networking circles; and

iii) To facilitate a unified approach to management of business-related issues

Both partnership and co-operation arrangements have given rise to valuable perspectives from the diplomatic grouping that have contributed to JAMPRO’s overseas strategies and, by extension, local exporters.
4.3 Investment Promotion and Trade Promotion in a Single Body

The scope of JAMPRO initially was considerably broad, as it had to incorporate the roles of each of the previous agencies (the JIDC, JNIP, and JNEC). Although the agencies were structurally integrated, individual concentration continued separately, and for this reason relatively limited success was measured in this area.

Today, JAMPRO’s focus has narrowed to be defined as the Export and Investment Promotion agency for Jamaica. A recent modernization plan proposed that JAMPRO’s core activities be limited to export trade development and investment facilitation and the recommendation of policies in support of these. A targeted, cohesive approach is currently adopted in executing these core functions.

JAMPRO continues to improve delivery of its mandate by effectively coordinating these roles. Operating as a government agency, it is directed by the government’s precepts in order to ensure cohesion and complementarity with other government programmes.

The marrying of export and investment promotion functions results from aligning the processes related to export and investment projects with the corporation’s strategic objectives; and by organizing workflows using process maps in addition to a project management-based approach.

Jamaica is a small economy with a corresponding market size, as a result of which, company and sector growth are heavily dependent upon exports, hence the need for strong export development and promotion campaigns. However, in order for the local exporting sectors to arrive at the necessary capacity to export and realize substantial increases in production, additional investment is usually required. For this reason a cohesive, targeted investment-driven export strategy is necessary within this structure.

The following benefits can be derived from this model:

- For the sector approach.
  - With export and investment promotion housed in a single organization, a single sector strategy that incorporates export development, export promotion and investment components can be more easily developed and managed.
  - Centralized expertise in these sectors can be developed within a single public agency. Local and international market knowledge, sector trends and external issues impacting the sector are all maintained together thereby improving strategy design and enabling sector strategies to be more responsive to issues as they arise.

- Greater efficiency through information sharing results from the creation of networked organizations.

- Proper servicing of export sectors can lead to the identification of possible investment leads.

- Resource efficiency results from pooling limited government resources. This applies to the administration of the agency as well as to the overall promotional budget. For example, a single mission of the marketing programme may target potential importers as well as investors.

After a number of years of delivering certain services, it is our conclusion that an ideal programme for export and investment promotion involves coordinating these functions within a single agency. Undoubtedly, JAMPRO continues to perfect the model that would enable clients to flow smoothly along the continuum from exports to investments or vice versa, however it is felt that with this structure ultimately possesses advantages over having separate entities, namely:
clients are better served by having the benefit of a single agent allowing for better continuity in servicing their projects, as well as an expanded knowledge base and broader perspective in this regard;

(ii) a cluster-based approach, which has proven success in model countries such as Ireland, is more easily adopted because of the already established linkages between export and investment projects;

(iii) multi-functional staff skills are developed with knowledge sharing within project teams. Expertise is therefore not limited to the functional division; and

(iv) the government is able to more efficiently deliver its services through a more streamlined approach, as well there is less strain on the public budget to fund more than one agency.

4.4 Private Sector Consolidation

Consolidation of some private sector agencies to form the Private Sector Organizations of Jamaica has resulted in improved management and coordination among private sector agencies. The consolidated agencies, which include the JEA, now share a common secretariat and have amalgamated some services. Complementing with this new structure is the continued building of institutional capacity.

In the private sector, cooperation among firms in the same industry under the JCCP, has also served to aid the network. As the network and its agencies strive to become more demand-driven, the organization of firms in sectors means that responses will be to issues that are arrived at by consensus, and there is only one voice for each industry. A strength of these clusters is that it comprises companies of varying size, and levels of export activity, so that agencies are responding to needs of a range of clients.

4.5 “Coordinator” role for the National Trade Support Network

As mentioned, JAMPRO’s mandates are handed down from the Ministry of Development, the unit of the government charged with carrying out the government’s development objectives through greater coordination, not just among ministries and public sector bodies, but also between the public and private sectors. Also, although the agency has specialized the its services and limited its scope to solely investment and export promotions, the wider society has not allowed it to transition from being “Jamaica’s development agency”. The role of coordinator of the trade support network, still partly belongs to the organization.

It is able to act as coordinator because of the informal network of partners that it has built over since its birth, having to work with most ministries and with the private sector. Scope of its work has allowed the network to include members from all parts of the country – infrastructure, training, investment facilitation, government policy and regulations, private sector initiatives, as well as an overseas network. Though to be coordinator of the national network, JAMPRO does not expect to be the lead player in the specialized sub-networks.

5.0 Recommendations for Improving Network Coordination

The present trade support agencies are very loosely organized, despite there being coordination at the project level and in sub-networks. Some recommendations for improving the network include:

- Coordinated strategic planning that would serve to:
  - align programmes,
  - reduce duplication,
  - identify common issues and prioritize these,
  - have all members work towards the same objectives;
• Strengthening sub-networks, as these are more easily managed and can become more specialized and focused. This could be complemented by linking related sub-networks, such as those for policy, quality and trade information, as:
  o Trade information must include policy alerts and markets’ standards requirements;
  o Standards and quality changes may require policy adjustment;
  o New market information received and distributed through the trade information network, may require new standards or policy;
• Widening the scope of some sub-networks, such as trade information.