
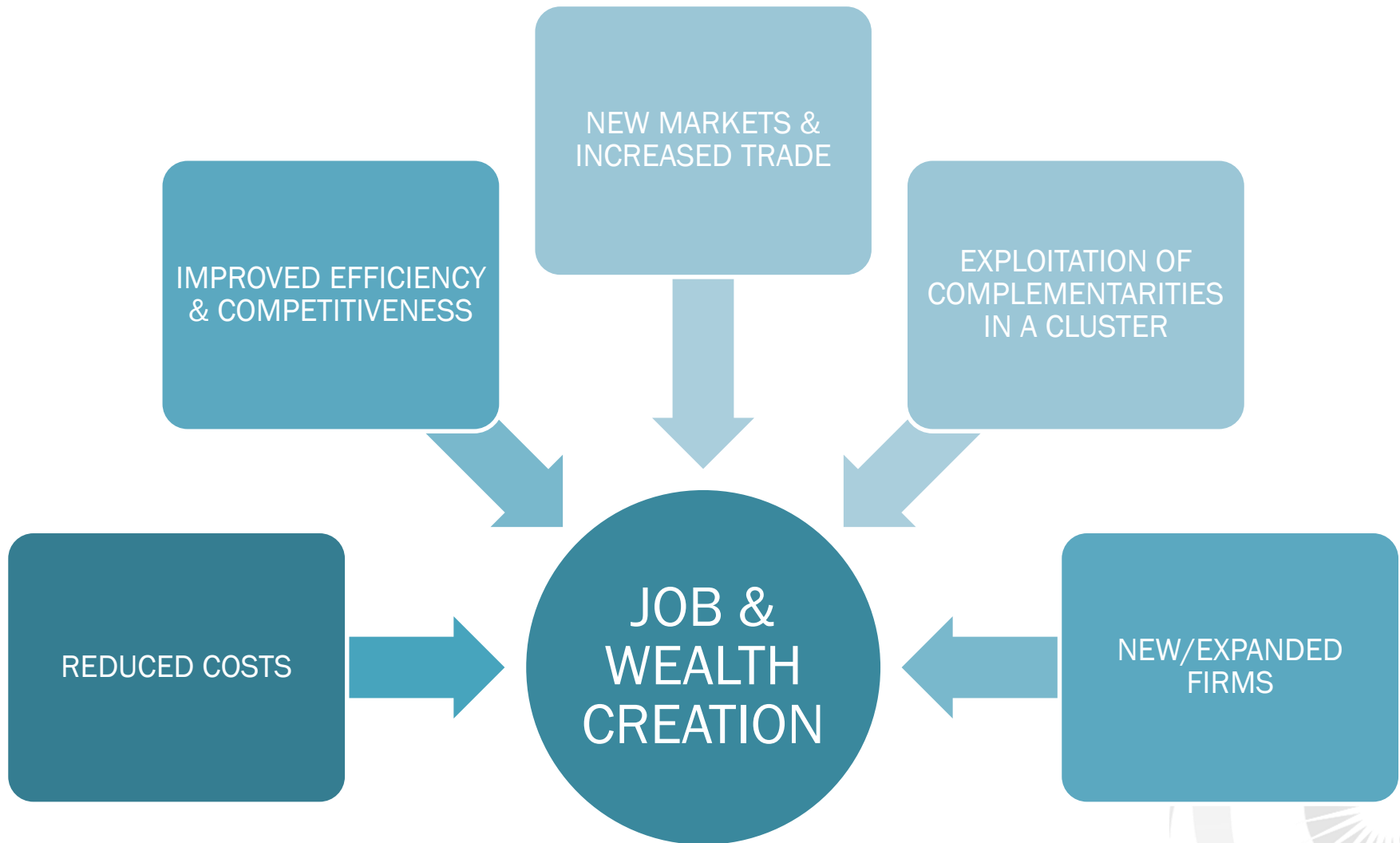


Research Questions:

- How do logistics hubs (LHs) create national wealth?
 - Is a LH likely to automatically create national wealth in Jamaica?
 - What are the critical preconditions to creating national wealth through LHs?
 - Is the Jamaican economy competitively positioned with respect to these preconditions?
- 

LHs and Wealth Creation



LHs and Wealth Creation - Singapore

SUPPORTED INDUSTRIES

Container maintenance

Ship Maintenance

Aircraft Maintenance

Marine equipment and offshore engineering

Lighting and electrical equipment

HUB CORE

Transportation Services

Shipping Lines

Airlines

Logistics Services

Logistics and supply chain services providers

Handling Agents

Storage and warehousing

Regional distribution and land transport

Infrastructure Operators

Port Operations

Airport Cargo operations

RELATED INDUSTRIES

Chemical Products

Biopharmaceutical

Manufacturing

IT

Communication and Media

Financial Services

Oil and gas

Plastics

LHs and Wealth Creation – Jamaica?

- Is Jamaica is able to attract firms that will efficiently:
 - *operationalize the hub core; and*
 - *populate supported and related industries?*



LHs and Wealth Creation – Jamaica?

■ Potential Regional Competitors:

- *The Bahamas*
- *Brazil*
- *Cuba*
- *The Dominican Republic*
- *Mexico*
- *Panama*
- *Trinidad and Tobago*
- *Uruguay*



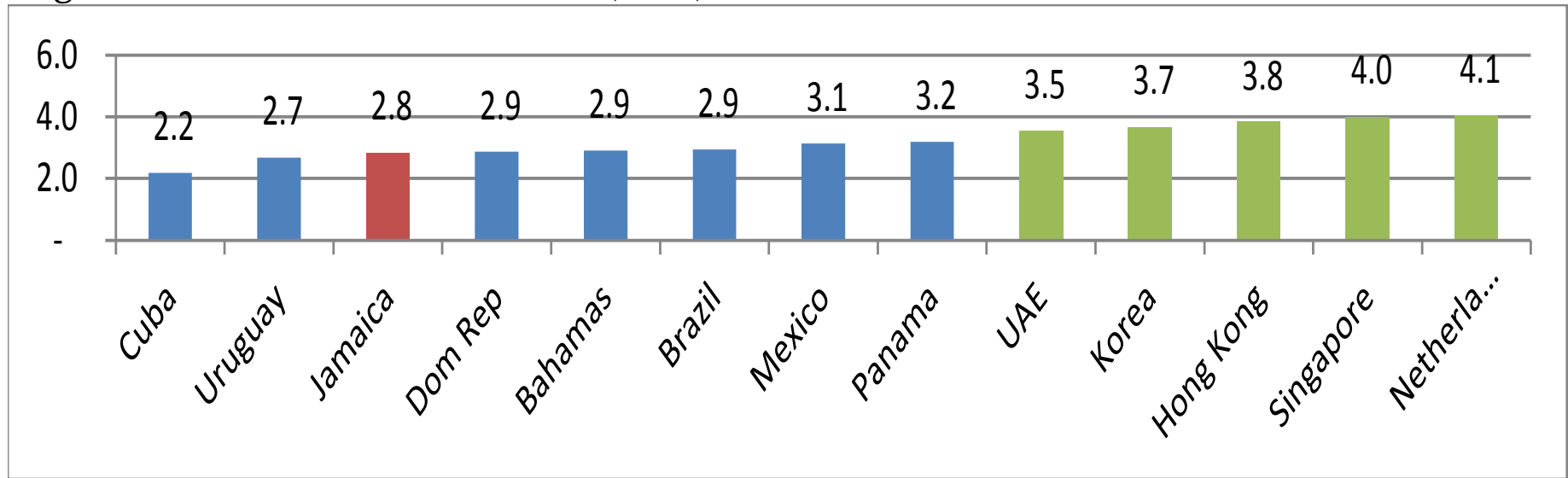
LHs and Wealth Creation – Jamaica?

- How close is Jamaica to world-leading standards?
- World Leading Hub Locations:
 - *Singapore*
 - *The Netherlands*
 - *The United Arab Emirates (Dubai)*
 - *Hong Kong*
 - *Korea*



LHs and Wealth Creation – Jamaica?

Logistics Performance Index Score (2014)

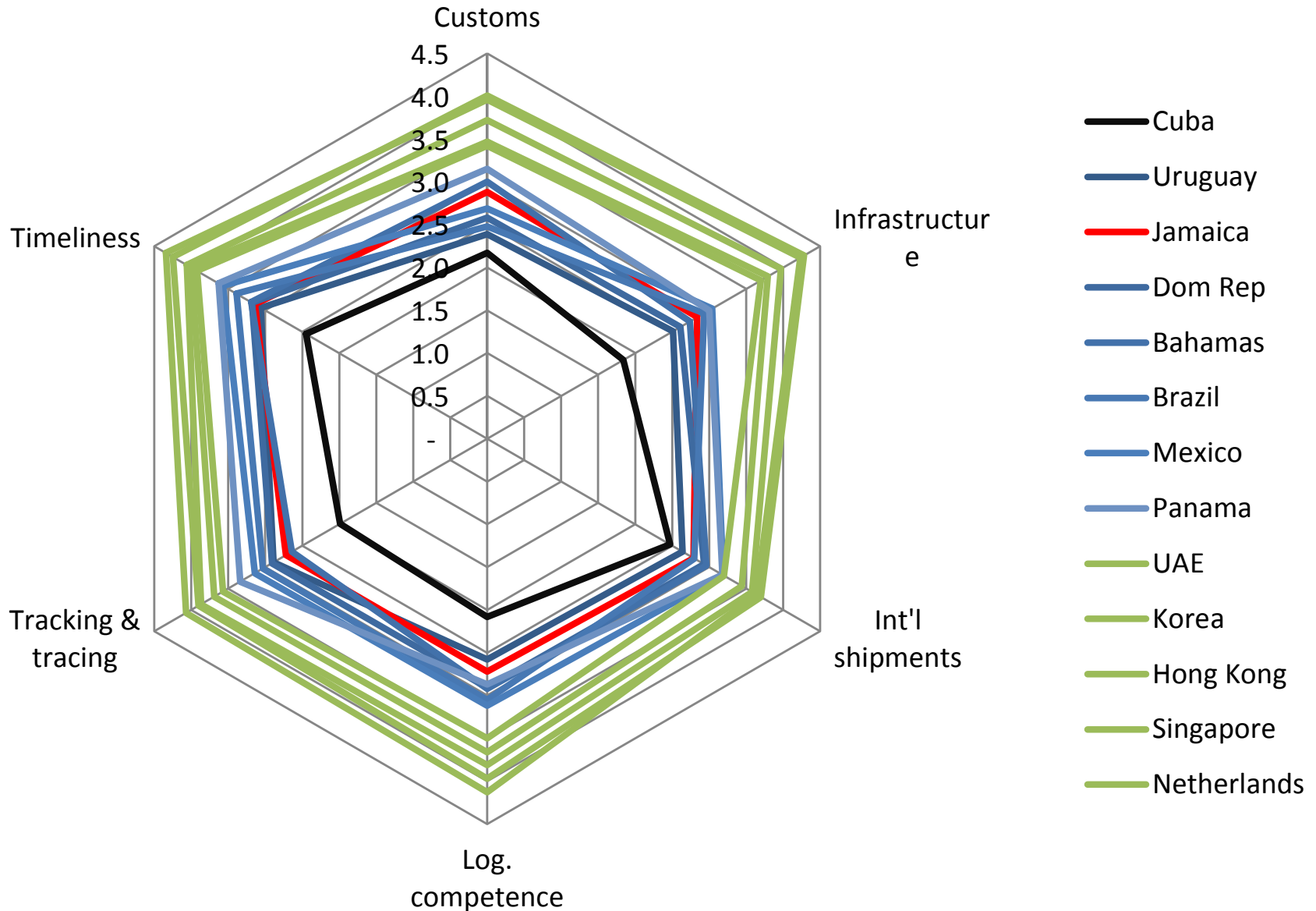


Source: World Bank, <http://lpsurvey.worldbank.org/international/scorecard/radar>



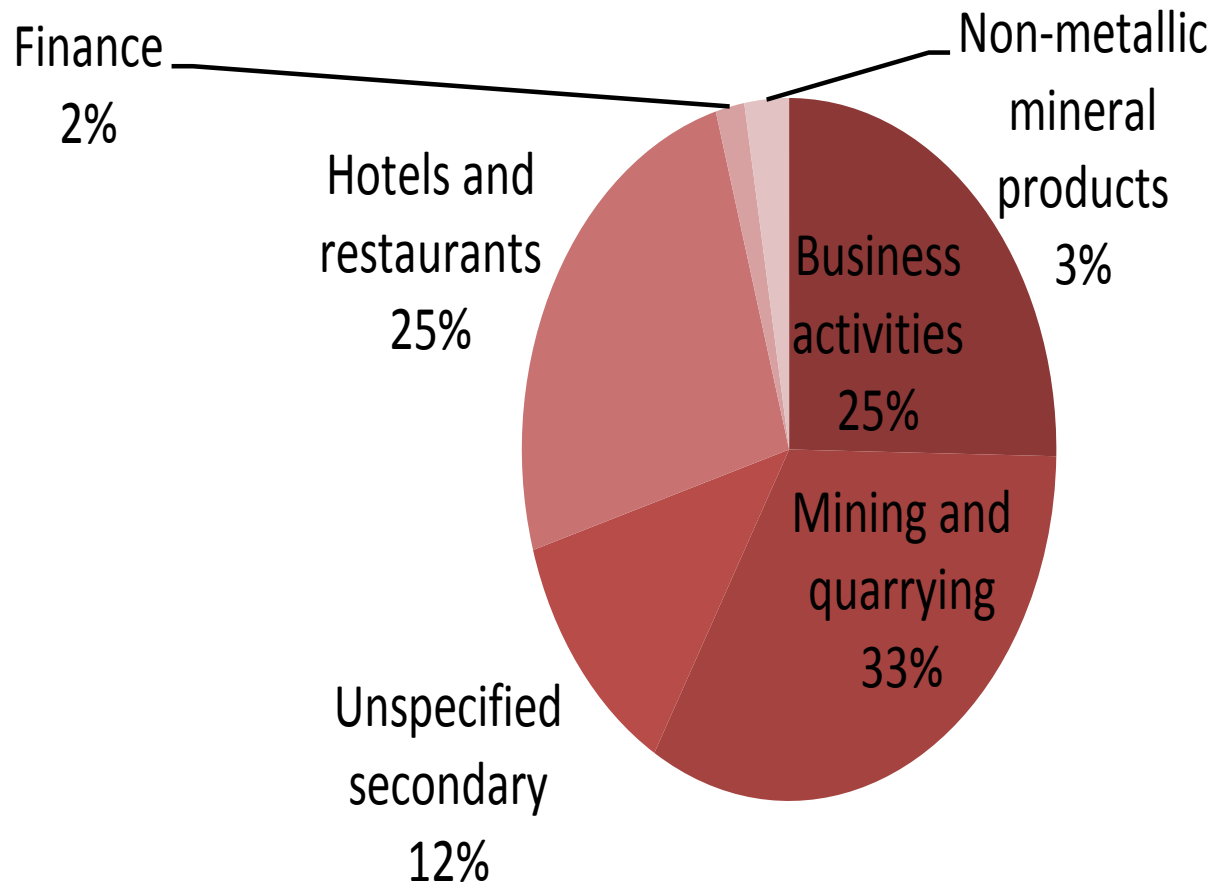
LHs and Wealth Creation – Jamaica?

Components of the Logistics Performance Index (2014)



LHs and Wealth Creation – Jamaica?

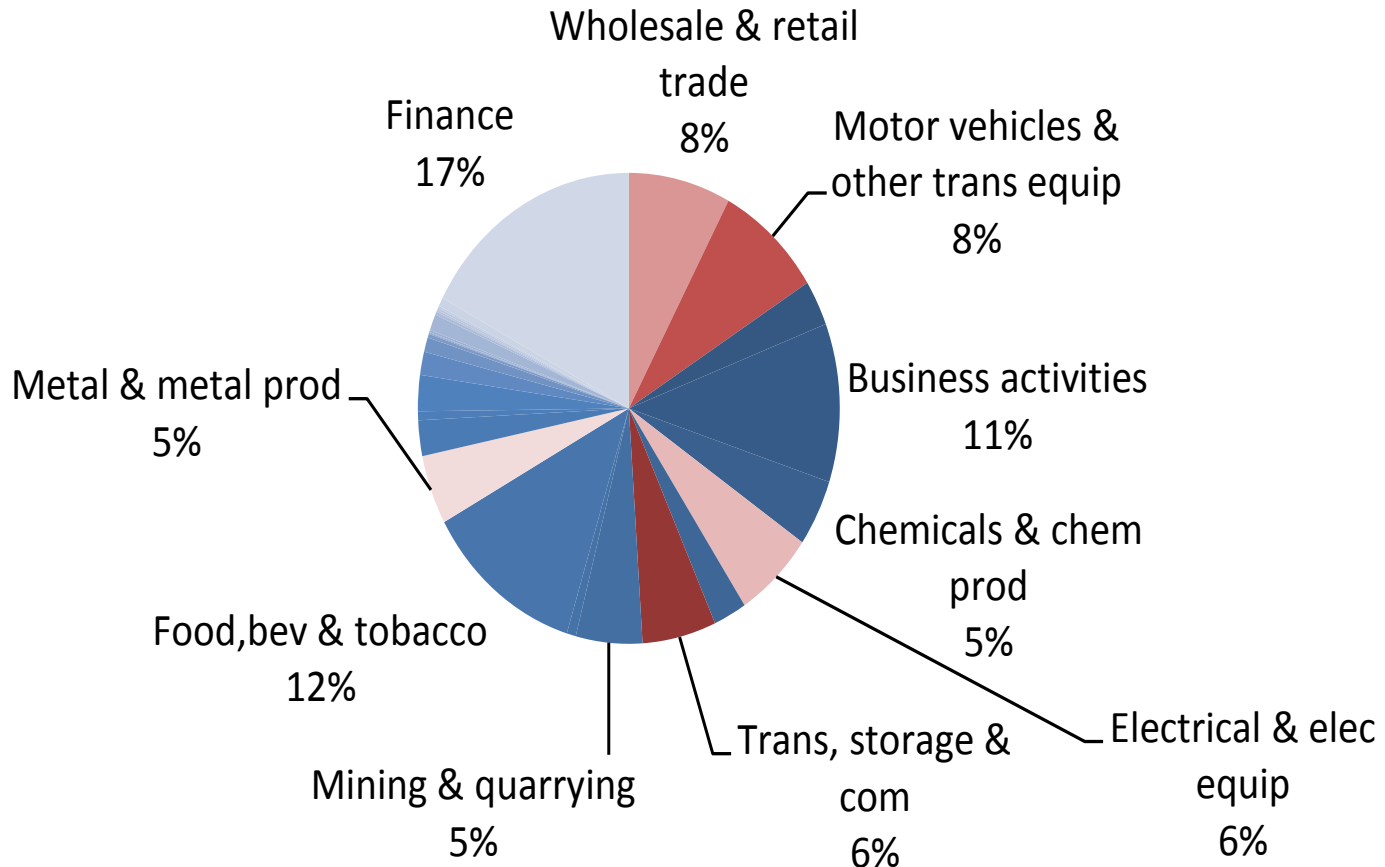
Jamaica - FDI Inflows by Sector (2001-2010)



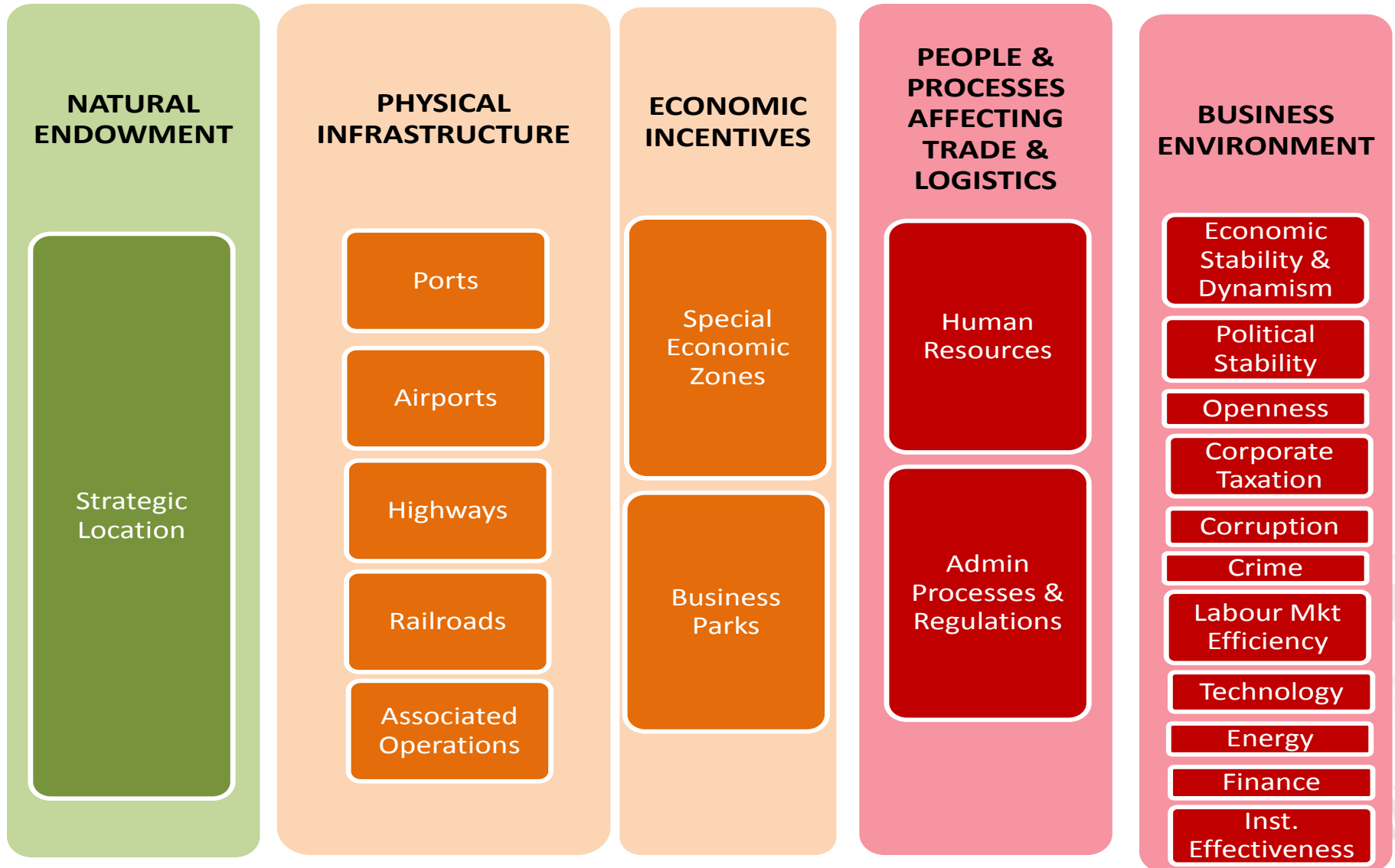
Source: www.investmentmap.org

LHs and Wealth Creation – Jamaica?

Mexico - FDI Inflows by Sector (2003-2010)



Preconditions: Wealth Creation through LHs



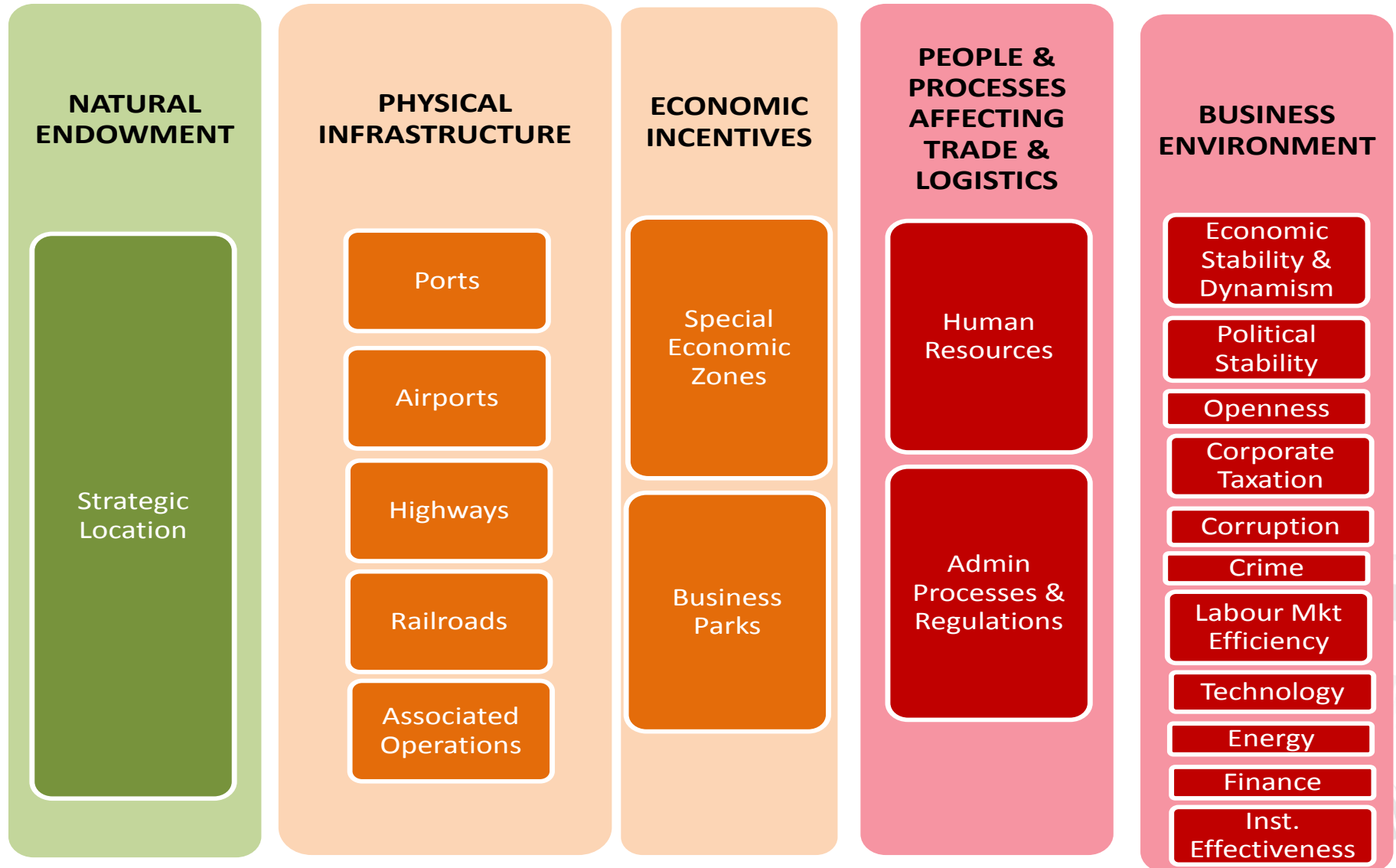
Preconditions: Wealth Creation through LHs

Natural Endowment

- All regional comparators can argue that their location provides key advantages.
- A good location is a necessary but not sufficient condition.



Preconditions: Wealth Creation through LHs



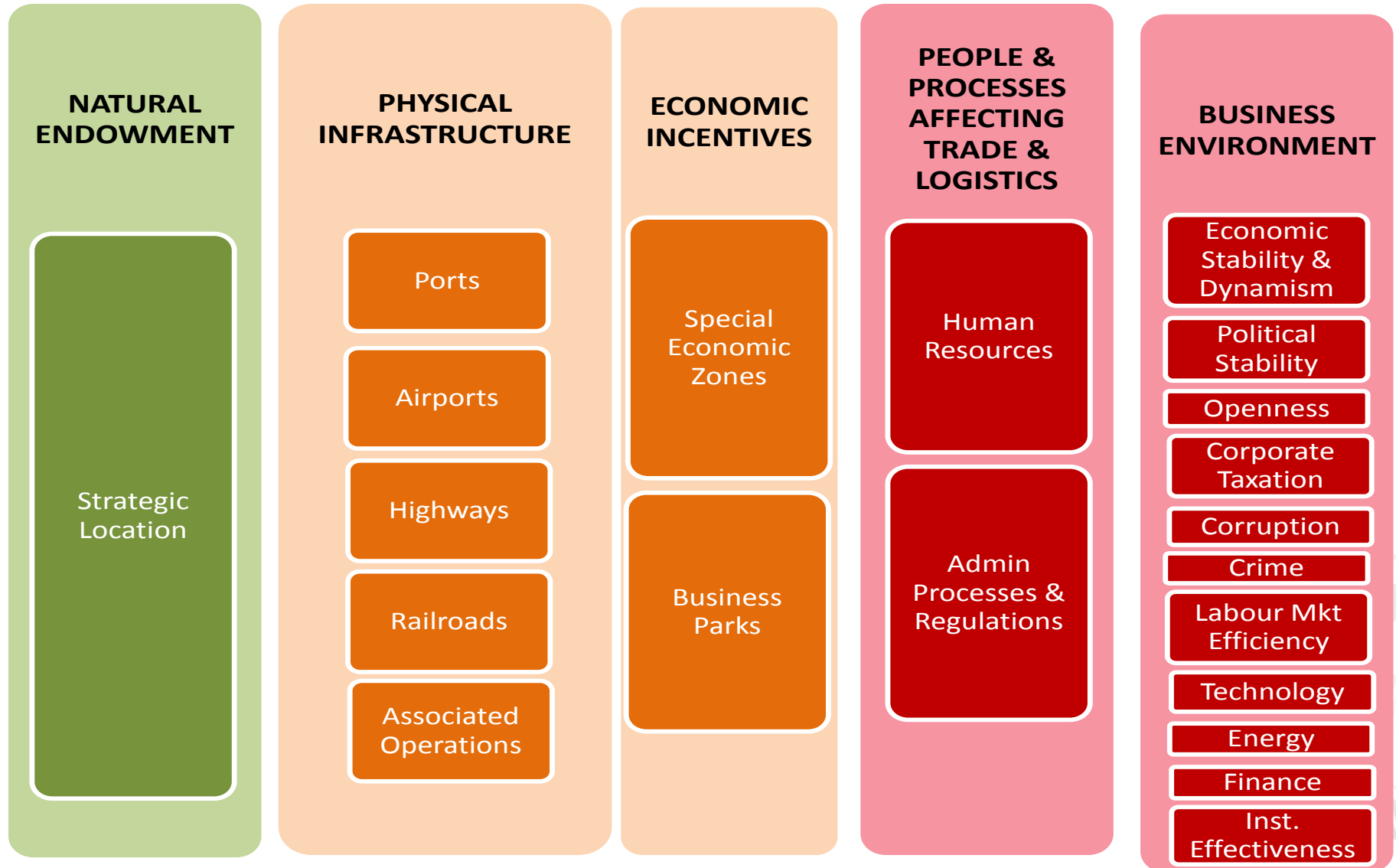
Preconditions: Wealth Creation through LHs

Physical Infrastructure & Operations

- Ships can travel longer distances and are able to limit the number of port calls to a few selected hubs and load centres.
- Locational advantages are diminished when ships have the capacity to bypass ideally-located ports to dock at alternate sites.



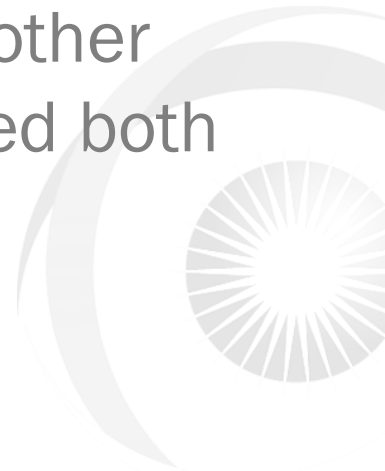
Preconditions: Wealth Creation through LHs



Preconditions: Wealth Creation through LHs

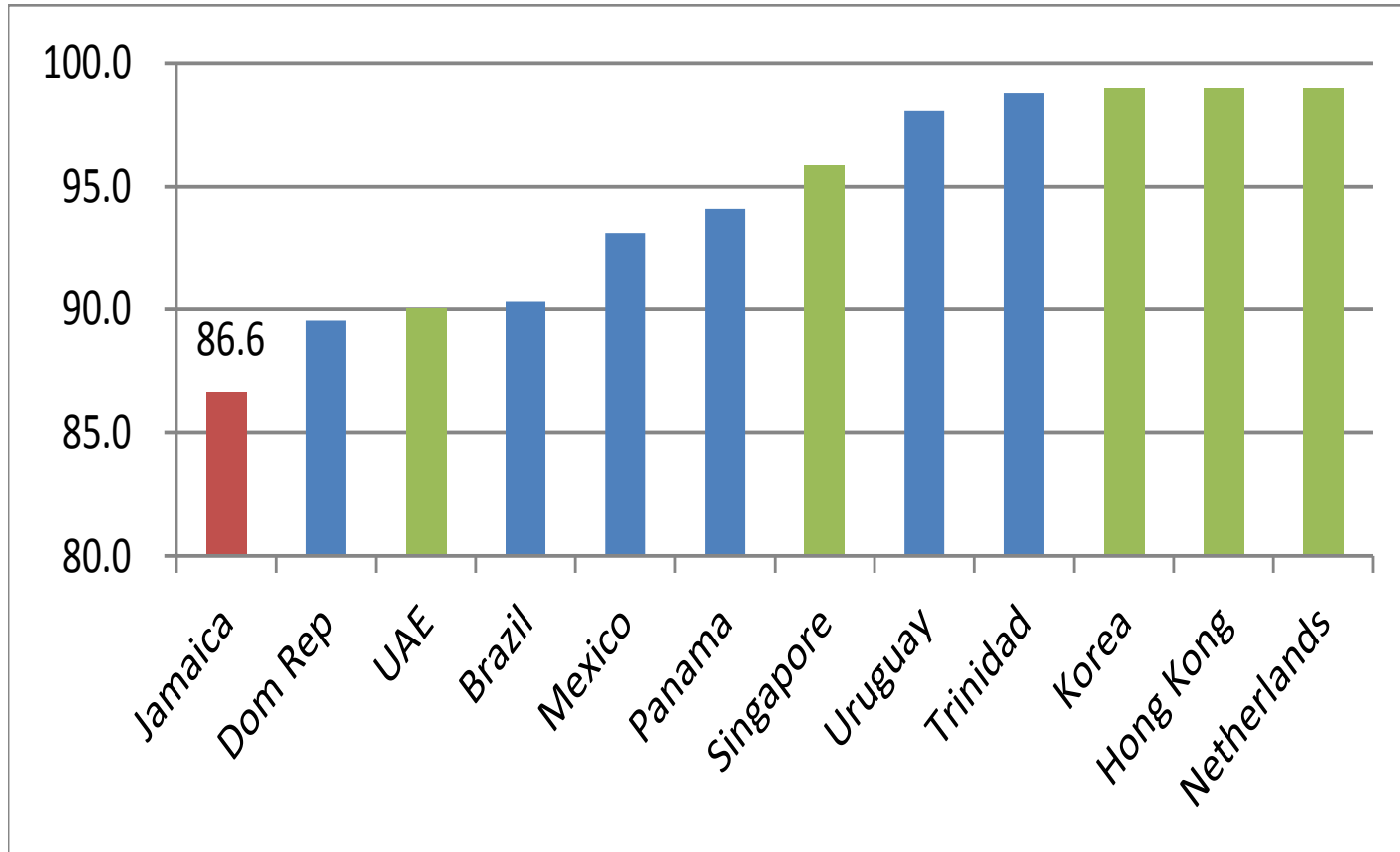
Economic Incentives

- Use of economic incentives can be risky, as other countries can offer better incentives and lure the companies away.
- Countries quickly turned their attention to other fundamental preconditions that are required both to attract and to keep companies.



People Affecting Trade & Logistics

Adult literacy rate, % (2013)

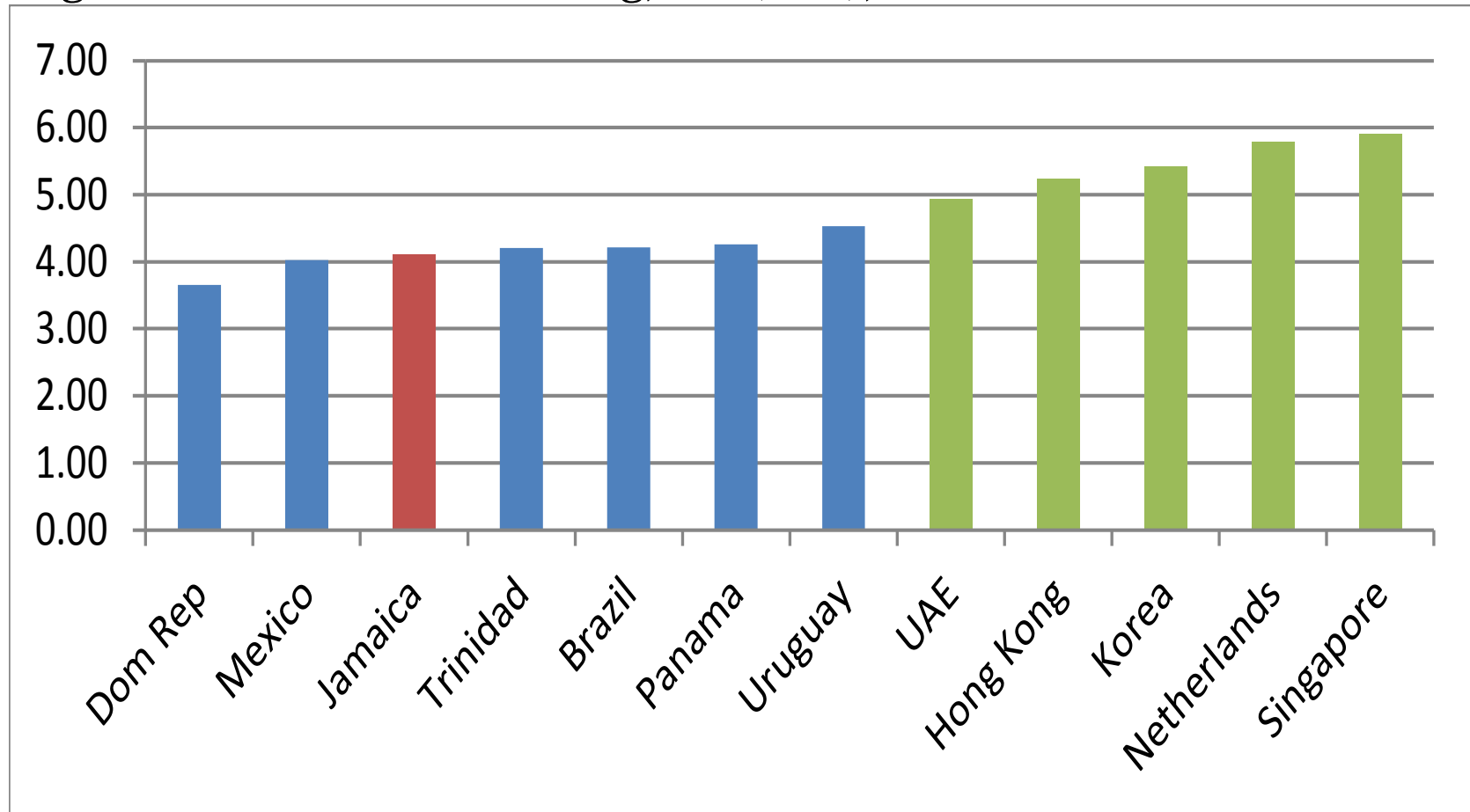


Source: Global Information Technology Report



People Affecting Trade & Logistics

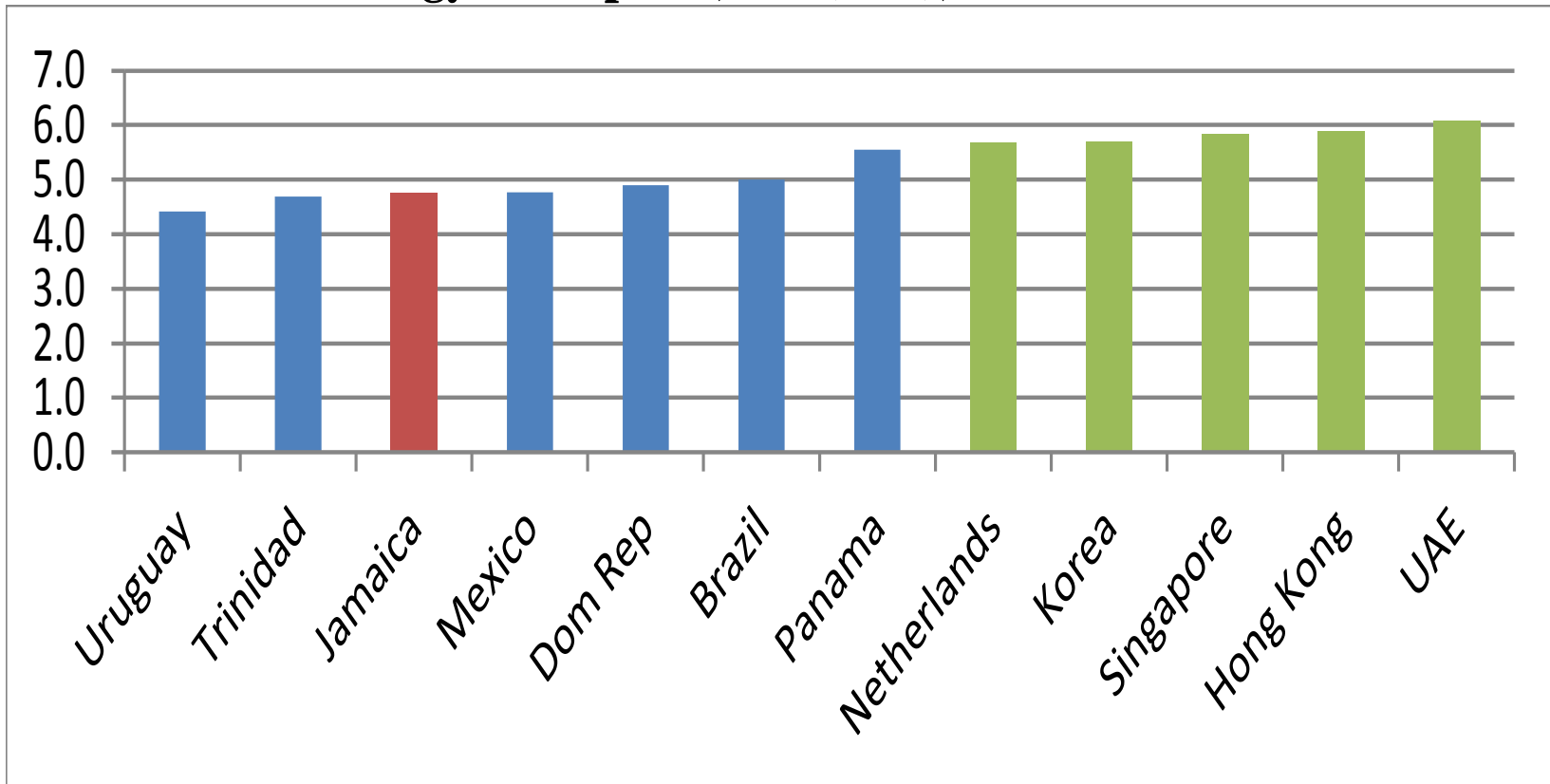
Higher education and training, 1-7 (best), 2013/14



Source: Global Competitiveness Report

People Affecting Trade & Logistics

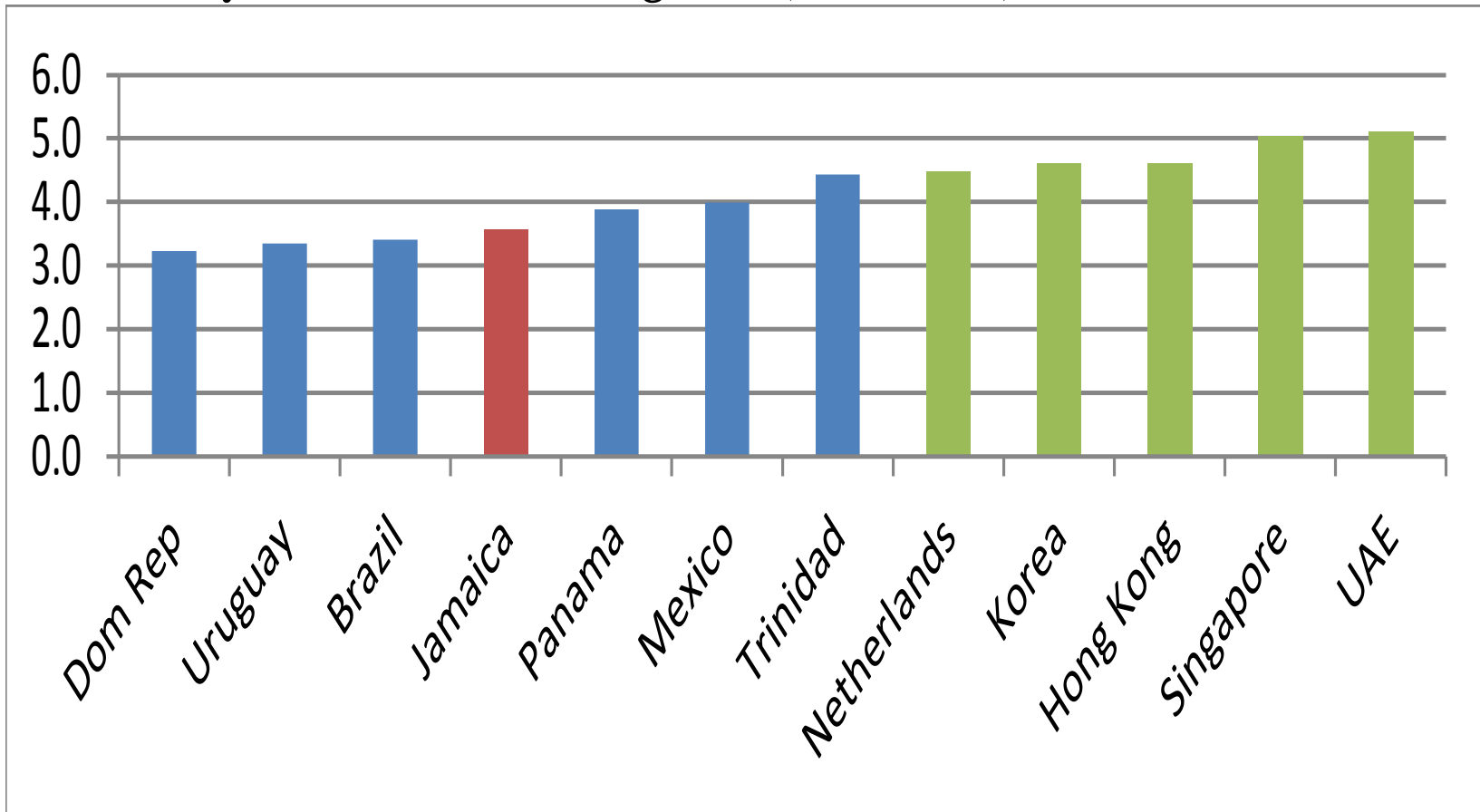
Firm-level technology absorption, 1-7 (best), 2013/14



Source: Global Competitiveness Report

People Affecting Trade & Logistics

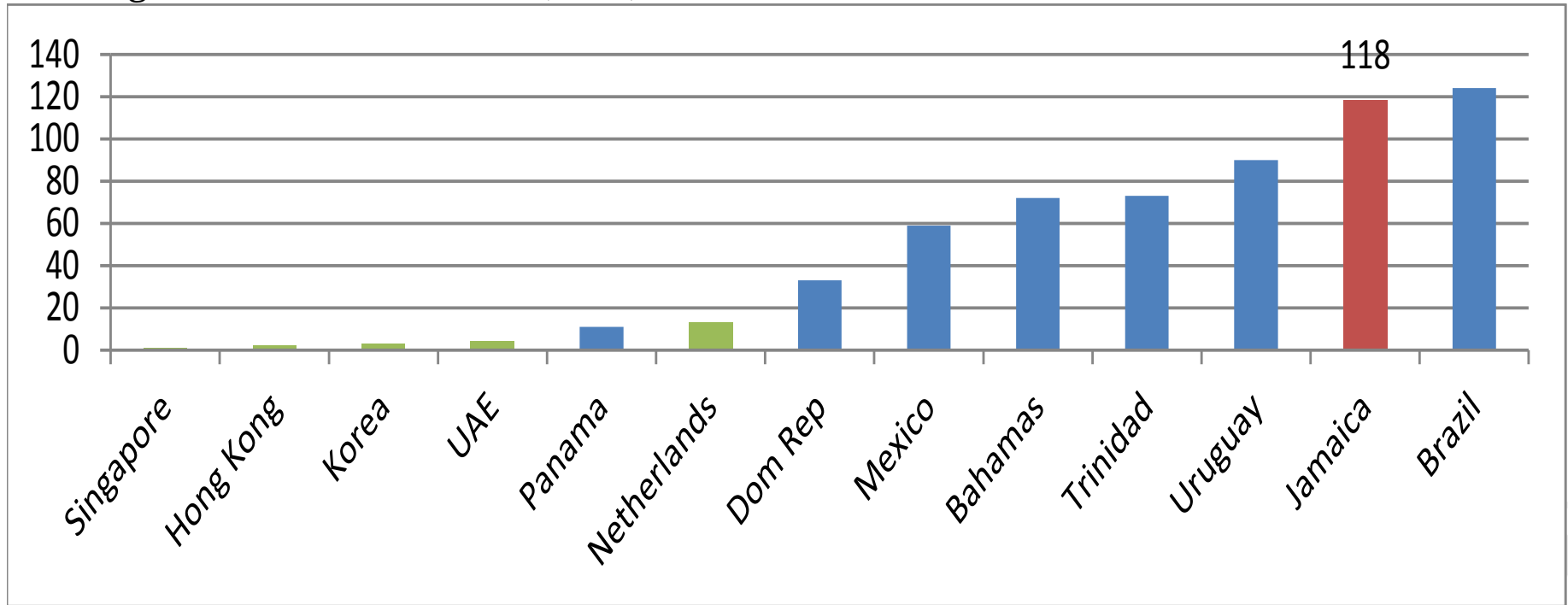
Availability of scientists and engineers, 1-7 (best), 2013/14



Source: Global Competitiveness Report

Processes Affecting Trade & Logistics

Trading Across Borders Rank (2014)



Source: World Bank's Doing Business Report

Processes Affecting Trade & Logistics

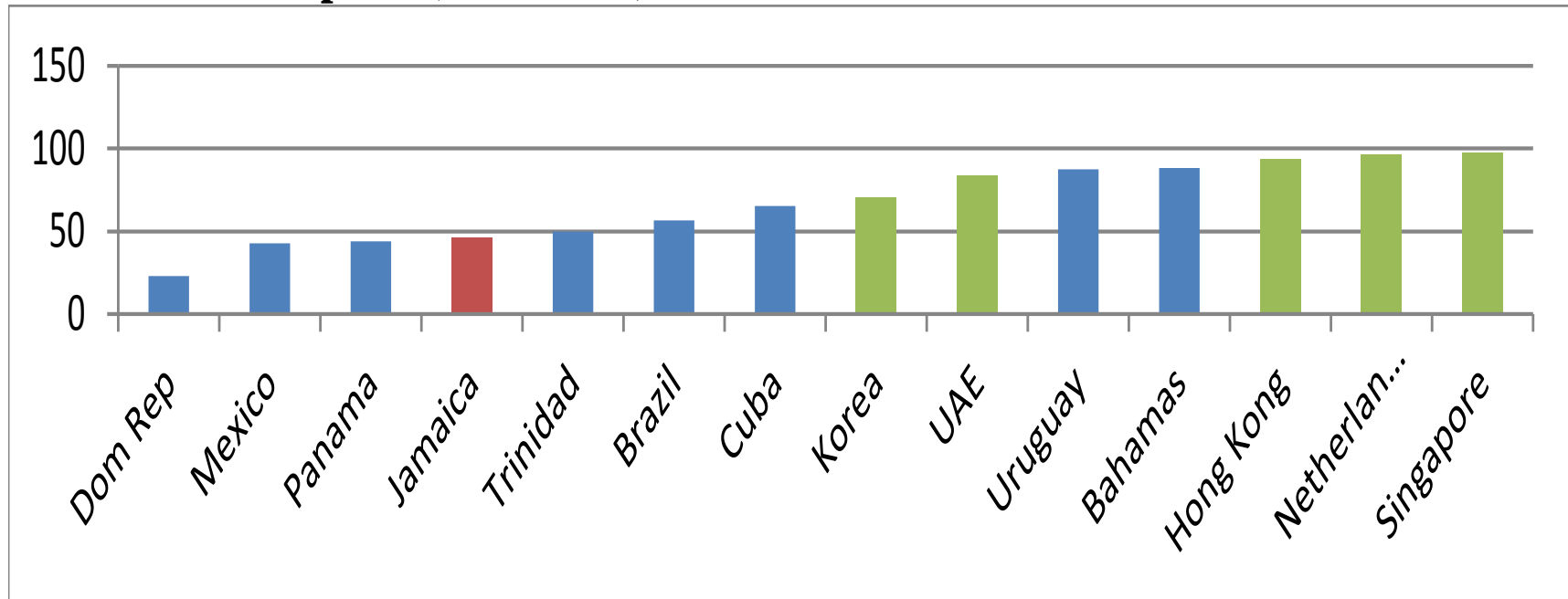
Jamaica has the:

- Second highest number of documents required to facilitate an export (6)
- Highest number of days required to export (20)
- Second highest costs associated with exporting (US\$1,530)
- Third highest number of documents required to facilitate an import (7)
- Highest number of days required to import (17)
- Second highest costs associated with importing (US\$2,130)



Business Environment – Corruption

Control of Corruption (2012 Rank)

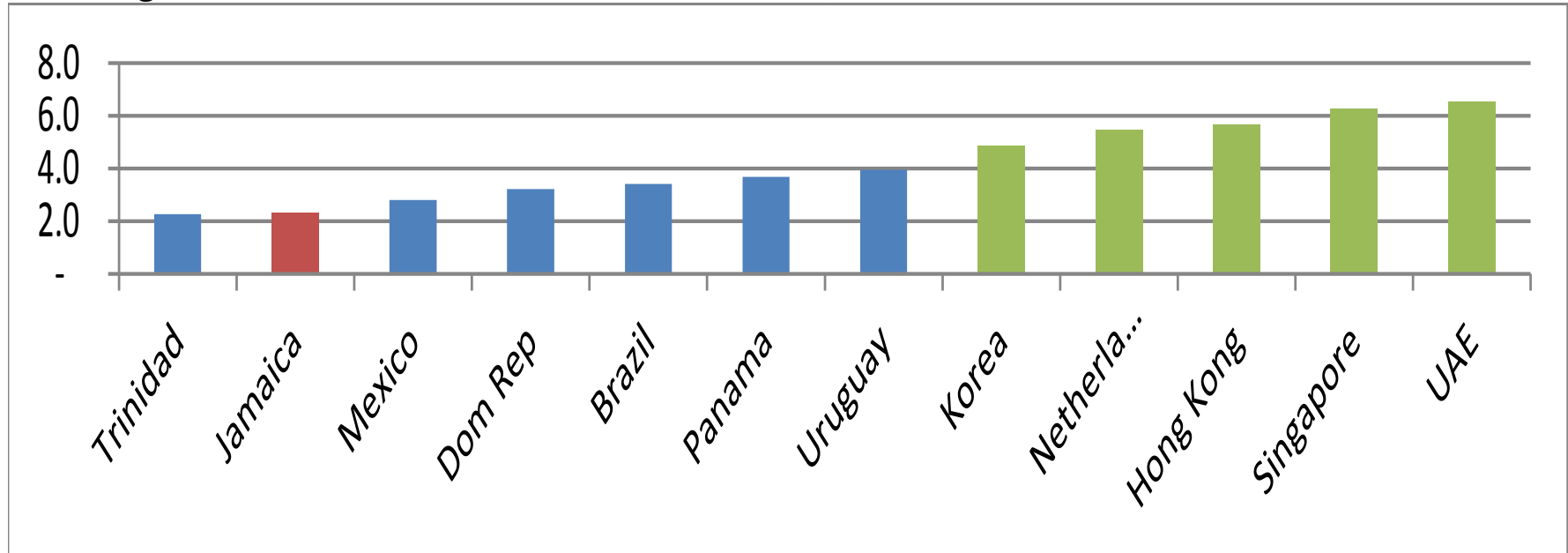


Source: Worldwide Governance Indicators



Business Environment – Crime

Ranking of Business costs of crime and violence, 1-7 (best) 2013/14

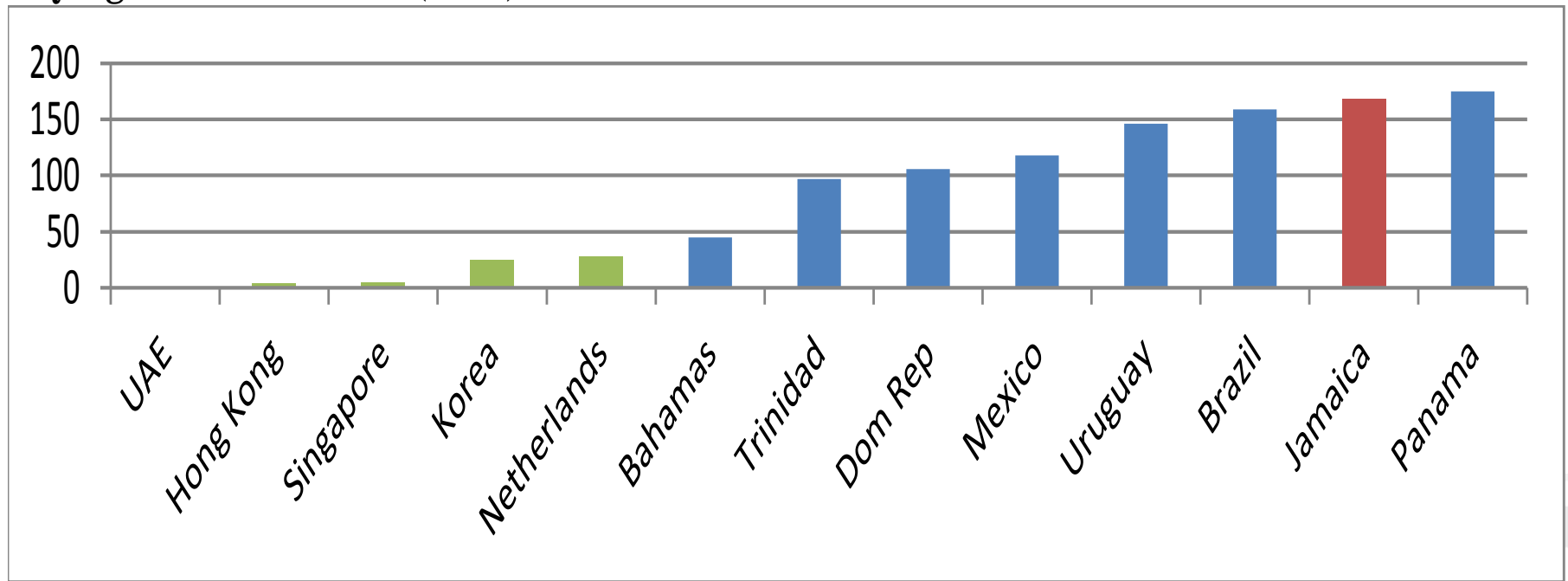


Source: Global Competitiveness Report



Business Environment – Corporate Taxation

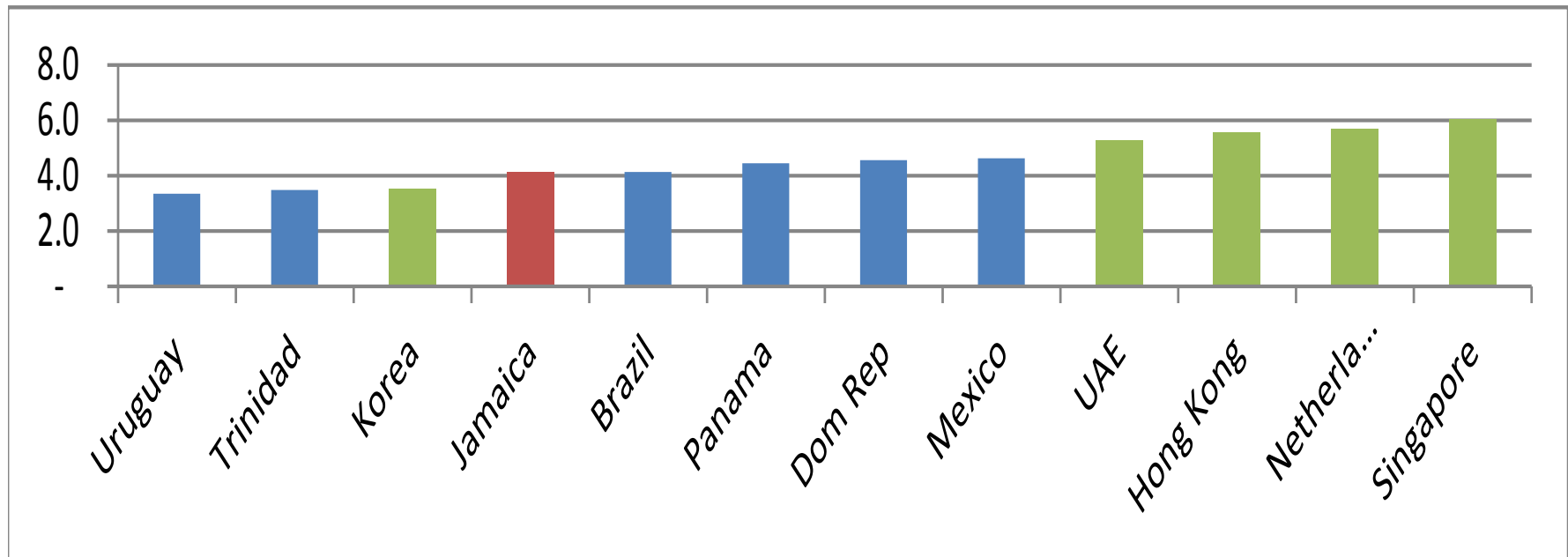
Paying Taxes DB Rank (2014)



Source: World Bank Doing Business Report

Business Environment – Labour Mkt. Eff.

Cooperation in labour-employer relations, 1-7 (best) 2013/14



Source: Global Competitiveness Report

Business Environment – Energy

- Trinidad and Tobago, Mexico and Brazil have oil reserves.
- They are expected to have significantly lower energy costs than Jamaica.



What does the GOJ Need to do Now?

- JLH will not create wealth overnight.
- Preconditions must be in place.
- Not just ports and parks, but also people and processes.



What does the GOJ Need to do Now?

- Not all of the issues can be solved immediately...BUT...
- Immediate attention required.
- Focus on nuts and bolts.

