



**Remarks by the Dr. Eric Deans
Chairman of Logistics Hub Taskforce
at the
Shirley Playfair Lecture
COMPETING IN THE HUB
Tuesday, 9 September 2014 at 3:00pm**

Salutations and Preamble:

- Mr. David Miller, the Executive Director of the Fair Trading Commission
- Dr. Fritz Pinnock, the Executive Director of the Caribbean Maritime Institute;
- Members of the press;
- Ladies and gentlemen...

I am delighted to be here this afternoon for this the 15th staging of the Shirley Playfair Lecture Series. This series remains a key staple in the calendar of the discerning entrepreneur, business professional and drivers of tomorrow's economy. I will therefore take this opportunity to commend Mr. Miller and his team at the Fair Trading Commission for continuing to uphold the legacy of Mrs. Shirley Playfair, the Commission's former Chairperson.

Logistics

The ease and speed of doing business are determining factors in the development of any economy today. I am reminded of a quote from the World Bank Logistics Performance Index report 2014; it states "Improving logistics performance is at the core of the economic growth and competitiveness agenda. Policymakers globally recognise the logistics sector as one of their key pillars for development." However, this is of the utmost importance to Jamaica as we take the steps to improve our global competitiveness and attractiveness as an investment destination.

We have already seen the benefits of the deliberate actions taken by the government as we move towards a logistics centred economy through our jump in the recent Global Competitiveness Index and the Logistics Performance Index. The Logistics Hub will bring many opportunities but Jamaican businesses and

professionals must build-up expertise and capabilities to make us competent and competitive to meet the needs of global markets.

The scope of the logistics hub will include but not be limited to rehabilitation of existing infrastructure, development of new infrastructure, warehousing, bulk storage facilities, primary processing and packaging zones, including connecting road, rail, air and digital communications infrastructure and associated commercial facilities in Kingston, Montego Bay and elsewhere in the island of Jamaica. The GLHI will result in the development of urban areas and expansion of existing port and airport hinterlands to incorporate logistics zones; new ports, airport development, the integration of new projects and the other components into a logistics hub including infrastructure development, special economic zones, telecommunications infrastructure, utilities and labour force transport and housing issues. **Essentially, it will have a transformative impact on Jamaica's economy. The LHI projects are sufficient to create an ongoing project pipeline to enhance Jamaica's market attractiveness. The LHI represents a set of realistic, comprehensive opportunities instead of ad hoc procurements that enable investors to see value in building capabilities and expertise in the country.**

However, there are elements of this new economy that will make the Jamaican market and consumer vulnerable, which we need to urgently address.

Reducing Anti- competitive practices

There is need to focus on minimizing the occurrence of price fixing, restrictions in competition and misleading trade practices due in part to the asymmetrical and unilateral structure of communication, namely the knowledge and information advantage held by the producer to the disadvantage of the consumers. Furthermore, any lack of safety provisions, barriers to access to justice and representation may call for some kind of government intervention to help consumers.

Interventionist measures may occasionally be necessary in re-establishing consumers' market power and safeguarding their independence. The responsibility of the state imparts certain duties of economic development in order to create greater economic security and guarantee certain rights for every citizen. To reduce the country's vulnerabilities, policy makers, in particular the Fair Trading Commission, will need to implement measures to correct and remedy any market failures as an important part of the active consumer protection rules.

The Government of Jamaica would be required to adjust the effects of externalities, provide the market with information and contest monopolies. Indeed, the state is the only authority seen as being able to distribute welfare in a just way and to guarantee allocative efficiency. Also, state intervention may be justified by its obligation to correct and remedy market failures.

In closing, I would like to reiterate how excited I am to be part of an event that encourages awareness of the importance of being flexible and competitive to take advantage of the opportunities that the logistics hub will provide as we move towards a new era of Jamaica's development.