The Jamaica Trade Point story: From stress to success

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Background

SITUATION SYNOPSIS
Imagine ...... daily procedural hassles, severe locational obstacles, unrelenting unrationlized routines, persistent bureaucratic hurdles, unfamiliar barriers, frequent organizational impediments. All part and parcel of the trading maze we were muddling through in Jamaica.

Enter ...... Jamaica Trade Point, our island’s new trade facilitation portal, which aims to seamlessly congeal the online applications of our trade agencies and ministries, providing the Jamaican business community for the first time, with the integrated, rationalized, comprehensive system required to advance our quest of truly facilitating the business of trade in Jamaica.

BACKGROUND
By the mid 1990’s, it was well recognized that for Jamaican goods to be competitive internationally, the current trading processes would require many changes. There were too many steps, the distance to be covered for any one transaction was horrific, and the time involved for the processing of routine applications was embarrassing. For example, in the registration process the exporter had to visit two institutions, JAMPRO and the Trade Board, just to obtain an exporter number. Additionally, depending on the product being shipped, the exporter had to obtain a license or permit from additional commodity and other agencies. In all there are fifteen (15) government entities involved in the export process.

This untenable situation was not only troubling internally, but was even more dismal when looked at from the perspective of Jamaica’s competitiveness ranking in international markets. In contrast, many developing countries had implemented fully comprehensive e-facilitation services and were reaping prime benefits. A major benchmark was Singapore’s TradeNet system, which was established as a best practice model since 1989, and which had parlayed that country into a global trading giant. They moved from twenty-one (21) forms processed anywhere from 2 - 4 days to only one (1) form processes in 1 - 2 minutes, with productivity increases of 20 - 30% and manpower savings of 50%. Total users have moved from 50 companies initially to over 2,500 currently. Closer to home, we had the example of El Salvador, whose
system had brought about savings of US$15 per transaction and was responsible for the trading leaps made by that country in recent times.

THE TRADE POINT CONCEPT
The Trade Point Programme was developed out of the 1992 meeting of UNCTAD VIII in Cartagena de Indias, Colombia, when the need to improve trade efficiencies, building on the opportunities offered by the advent of new ICT technologies, was identified, an initiative that was critical, if the participation of developing countries and their SMEs were to be encouraged in the arena of international trade. Since then, the programme has grown from sixteen (16) Trade Points to approximately one hundred and fifty (150) in eighty eight (88) countries all interconnected in a worldwide electronic network supported through the Internet.

Early Decisions
Unlike the majority of Trade Points operating in 1999, the decision was made that JTP would adopt primarily a virtual business model, to benefit from the lowering of transactions costs versus the physical model, where the services are offered under ‘one roof’. JTP would therefore establish itself as the portal for doing business in Jamaica electronically.

A final initial decision was made to implement the project in three phases with the first being the launch of the informational website. It was envisioned that the second phase would focus on assisting Jamaican exporters in finding new trading partners under the GTPNet, and that the Singapore model would serve as the benchmark for the third phase.

THE VISION
The vision of JTP is that its users, the trading community of Jamaica, will, through this ICT facility, achieve an unparalleled level of efficiency leading to greater international competitiveness, and that from these increased micro-level gains, the country will realize a substantial appreciation in its global competitiveness levels.

THE GOALS & OBJECTIVES
The objectives of JTP are four (4) fold:
- It is a source of trade-related information where users can expect to receive information that most closely supports their trading activities, such as information on air & sea transportation choices, freight insurance and financing options, market research & intelligence, and so on.
- It is a trade transaction point where buyers and sellers are brought together to review and purchase Jamaican products and services through the exporter e-marketplace, www.BuyJamaica.com.
- It is a trade facilitation centre where users can expect to have their trading efforts facilitated by processes that are rationalized and where hindrances to their activities are removed.
- It is a gateway to global networking (GTPNet), where local traders can be united with their international counterparts and new transactions and relationships are facilitated. In short, it seeks to maximize the potential benefits of this new way of doing business.

THE IMPORTANCE OF JTP TO JAMAICA

1. The Impact on Small & Medium-Sized Enterprises. Our efforts with JTP are of paramount national importance for Jamaica as the fortunes of our companies, in particular, our SMEs, directly affect our country’s economic prospects. These firms cumulatively represent the largest employers in our country, accounting for over half of the private sector employers and well over a third of total employment. Therefore, the creation of new business opportunities and the expansion of existing ones within the private sector as facilitated by JTP, are of critical significance to the nation.

2. Rural Upliftment & Empowerment. Additionally, because JTP is accessible online, firms located in the rural areas, supporting critical employment in these locales, do not need to relocate to urban centers in order to be properly facilitated. Further, the increase in e-competence that is evident as users receive training for the new facility means that indeed this portal is encouraging the empowerment of our rural communities. Also, online connectivity is now being effected by the both the post office and library kiosks islandwide, so no longer is there a problem of finding a location to get online. All these factors have converged to make JTP significant in the fight to stem the rural-to-urban drift in Jamaica and to further impact our efforts towards rural upliftment and empowerment.

3. As A Focal Point For Deriving Synergies Within The Public & Private Sectors. JTP is critical for the promotion and development of the strategic clusters as defined in the National Industrial Policy and allows for synergies with current government initiatives and programmes such as:
   - The Public Sector Modernization Programme,
   - The Geographic Information Systems project,
   - The Post Office and Library network project
   - Other Internet projects.

The end result of these converging initiatives is the raised expectations and heightened demand for efficiencies brought about by the adoption of ICTs. Thus not only do we see JTP as presenting a world-class national communication and promotional platform for trade and investment issues and business opportunities, but it is also means of positioning Jamaica as a global leader in e-commerce and in web-based tools. This has the ultimate effect of projecting a holistic image of Jamaica as a premier trade and investment location as we seek to use the facility of JTP as a means of displaying our international competitiveness in the global marketplace.

PHASE II

Buoyed by the worldwide exuberance and success stories regarding the use of the Internet for small businesses, the focus in Phase II moved to adopting strategies to
assist our local exporters in reaching new markets, which would also have the effect of transforming the website from informational to transactional. We therefore embarked on our e-commerce project.

**E-Commerce Project**

Coming out of the overwhelmingly positive response to the E-Business conference in September 1999 and the concurrent formation of a global partnership arrangement between UNCTAD and IBM, in the use of IBM’s HomePage Creator (HPC) product, JTP took the decision to embark on a pilot E-Commerce project, by forming a consortium comprising of a small group of exporters. IBM’s HomePage Creator product was designed particularly for small businesses to assist them in creating, within a few hours, a web presence with electronic commerce capabilities, by providing all the tools required directly from the desktop.

The consortium was extended to include local banks and the local and international IBM offices that assiduously pursued efforts to complete arrangements for the provision of payment service provider facilities for Jamaica, necessary to accept payments on-line. An initial test of the system without the on-line payment facility, during a period of one month, resulted in one exporter receiving five (5) orders for coffee, the largest having a value of J$1M.

(iii) Through an exclusive arrangement between UNCTAD and JTP, a new service, e-Basket was created as a special version of the newly upgraded GTPNet’s Electronic Trading Opportunity (ETO) service, with the understanding that if the pilot project was successful, it could serve as a model to other Trade Points.

JTP, in partnership with both the Jamaica Hotel and Tourist Association (JHTA) and a small group of its members, the Rural Agricultural Development Authority (RADA) and a small collection of farmer groups, conducted a pilot project in the use of the e-Basket service, which was reserved for the trading of agricultural products within Jamaica only. It was offered on the JTP Web site at no charge during the pilot period by allowing authorized users from within the hotel and agri-processing sector to post their demands for Jamaican produce.

The e-basket pilot was also supported financially by the European Union’s Trade Development programme for training of RADA’s extension officers along with sponsorship from Cable and Wireless of free Internet access, over a six-month period.

**Results**

**PHASE III**

In this final phase of JTP as we move towards completion of the project and truly effect the end-to-end trading process, we now have the solid buy-in of the entire importing and exporting community. Our core applications and partners currently consist of the
following:

1. JAMPRO’s exporter registration - effecting new and annual exporter registrations and keeping efficient records of our exporters’ consignees, products and contact information.
2. Jamaica Customs - processing import and export applications online and collecting duties and taxes by credit card. This organization has recently completed its 500th successful online e-payment transaction.
3. The Trade Board, with on-line license application processing & certification of goods for export.

By November of this year, the Shipping Association of Jamaica (SAJ) would have released its e-Manifest application, which will greatly assist our ports in being more efficient as all authorities will now have the exact cargo placement and content information from before ships even dock in Jamaica. This clearly has significant implications for the offloading and turn-around times and should add considerably to our attractiveness as a port or transshipment destination.

The next big addition to JTP will take place early 2004 as the SAJ’s port community system, funded by USAID’s New Economy Project (NEP), is unveiled. This online system will connect all the wharf concerns including the freight forwarders, shippers, stevedores, terminal operators, transporting companies, container freight stations and forwarding/clearing agents. This port community system will then be connected into JTP, which already has the trade agencies and other entities together at one site.

JTP will finally be complete shortly afterwards when the last of the government ministries and agencies are connected early in 2004. Specifically, the Ministry of Health and the Ministry of Agriculture will be in the final group whose applications are even now being worked on. This phase will be funded by the Inter-American Development Bank (IDB) through the e-government project being currently undertaken.

It is important to note that the system developer for all the individual organizational systems (except the port community system) is Fiscal Services Limited (FSL). It has assisted the overall project to have a common systems developer as this company understood the vision of JTP and fitted the infrastructure in such a way as to encourage the maximum amount of cooperation between the entities and to minimize, and even eliminate any design redundancies. This partner has also assisted ably in any promotional and training opportunities thus providing a true partnership arrangement.

A final note in outlining the progress to date is that the legislation to fully effect e-transactions is passing through the current legislative session and is expected to be in place in time for the completion of the actual infrastructure. Also, the certification and registration authority that must be in place in order to facilitate such transactions has been recently assigned to the Trade Board, which will house the Public Key
Infrastructure (PKI).

The result of all this convergence is that by early 2004, Jamaica will have completely in place both the electronic and legal infrastructure required to have a successful online trade system and would have already completed the requisite social work, through user training necessary to have a smooth utilization of this facility.

Lessons

1. The Interplay Between Technology and Resources: The Need For Balance and Alignment
We can attest to anyone contemplating this kind of ICT integration that there is an fundamental relationship between technology and resources. Initially, we had a situation where the technology was ready and resident within our influence, but the funding resources to take advantage of it were not forthcoming. Yet another situation faced us later with just the converse where we were ready to embrace the technology but could not find such a provider.

2. Planning for a Change in Technology
We had the unpleasant experience of having the technology that we were centring a project on, change in midstream. Example was IBM’s change from HPC to Websphere.

3. The Necessity of Uptake Strategies
After witnessing the experience of FSL trying to get our Shipping community to adopt an application, plus learning of the tedium experienced by the consultants trying to change the routines on the wharfs and in our Customs department, we swiftly realized that we would need to have in place an uptake strategy for easy adoption and of our plans. Without this, the actual implementation would be slow, spotty (only among a few organisations) and possibly even non-existent. Thus we devised two (2) methods of attack:

- Constructing an online uploading system for our exporters to use to get their information on their storefronts. With this automatic method, computer-shy businesspersons would be able to easily assist themselves with uploading their information to the exporter e-marketplace site and would not need to employ the often expensive services of an ICT technician.
- Training the Trainers. Here, we have trained designates from two (2) important groups, the Customs Brokers Association (CBAJ) and the Jamaica Exporters Association (JEA), setting up a situation where not only have we divested the training from the JTP partners to more intimate private sector groups, but have also offered these sensitive groups a valuable opportunity to show relevance to their membership and to derive additional funds for their coffers.

4. Elevating Expectations, Deriving Buy-In, and Building Demand Through Discussions,
Studies, Workshops, and Conferences
After the UNCTAD delegation came to Jamaica in 1996 and delivered the information and invitation for World Trade Point, there was a period where there was little progress. And we realised that building a base from which to grow and from which information could find root was of paramount importance. We decided to construct this foundation with the exchange of knowledge where we would have events leading to discussions and the beginnings of receptivity from which actual partnerships could evolve to create the JTP design and initial plans. This is how the 1999 e-Commerce Conference came about, the first ever in Jamaica. From this beginning came additional opportunities to dialogue with our ministries, agencies and trade associations, and with this exchange of ideas and information evolved the heightened receptivity that led to raised expectations and ultimately the ground swell buy-in that we experience in JTP today.

5. Realistically Assess Risk Factors and Neutralize Them By Inclusion Methods
In crafting our plans and coming out of the Log Frame process came a realistic identification of our Customs Brokers as the group that could offer the most challenge as they might find the introduction of a system assisting exporters counter to their interests. For years, members of this association have derived business from the perception among traders that the exporting and importing systems and processes were too complex for personal involvement and hence a Customs’ Broker was a necessary part of efforts to effect these types of transactions. A simple user-friendly system where there was online access to transact business at anytime and from any place, could, at first blush, appear to minimize the position of CBAJ members. In an effort towards inclusion of all trading constituents, we realized that it would be important to forge a central position for this association and so were sensitive to include them in discussions and to offer them the opportunity to set up training events/workshops for their memberships as described above in 3 (Training the Trainers).

Development Impacts

DEVELOPMENT ASPECTS OF JAMAICA TRADE POINT
JTP as a project is rife with development aspects that continue to enrich the programme and offer solid foundations for building project sustainability. The following are some thoughts on these issues.

1. Infrastructure - JTP is deploying the very latest, state-of-the-art technology in the construction of the facility. In addition, we are building the key competencies that will continue to support the architecture and will lead to the keen visioning necessary to create services and features that are used, appreciated and valued even before the users make overt demands. This type of thinking will keep us ahead of the curve and make our facility internationally competitive and will keep our users in a high state of appreciation of cutting edge technology.

2. Human Development - The second area of development to be articulated is that of
our human or user development. Here we speak specifically of the skills and competencies that are being expanded within our trading community as our businesspersons continue to receive specialized training and to increase their usage of this facility on a daily basis. Again, we note the anticipated increase in the collective appreciation of technology within this user community.

3. InterAgency Development - Similar to the user development, we must acknowledge the area of agency/ministry user development, as the government employees are themselves raising their competency levels and realizing new heights in their appreciation of the applications. They are deriving increased efficiencies in their operations, getting used to these levels of efficiencies, and are receiving improved customer satisfaction levels to match.

4. InterAgency Cooperation - In Jamaica, government agencies are not used to working with each other cooperatively, each being used to executing its own mandate irrespective of overlaps or gaps in the ensuing process. With JTP, we now have a situation where for the last several months, a working group consisting of representatives from all the trade agencies and ministries have been meeting to create the framework that will apply to the portal and the policies that will govern the daily routines of each Agency’s operations in so far as common services are concerned. The group has even rationalized the processes, stripping away ones that are clearly redundant, and has focused itself on promotions for JTP’s public launch in November and the World Trade Point General Assembly in December. This interagency cooperation means that not only are we preparing to work on similar issues to JTP, but further, it says that we are developing the culture within our public sector to work cooperatively on any issues and this type of collective resolve will certainly fare us well for any unexpected issues that should come along, especially given the constant state of flux of our trading environment.

5. Increase in FDI. As we build our JTP infrastructure and our user competencies, we are able to use this foundation to attract investors to our ports especially for the current thrust by our Port Authority of Jamaica to expand our Port of Kingston into a major transhipment port. Having the JTP facility shows a readiness for that level of business and an willingness to do whatever we have to in order to gain this level of international competitiveness and to leverage ICTs to globalize our country.

6. mCcommerce. Jamaica currently has the highest per capita rate of cellular telephone penetration and with the existing IT infrastructure, such a level of usage indicates that the potential to move swiftly to adopting this medium to access the Internet and to exploit the many opportunities being offered through JTP by the populous can be readily achieved.
Project Information

Organisation: Jamaica Promotions Corporation (JAMPRO)
URL: http://www.jamaicatradepoint.com
Total budget in US$: 100,000.00
Country of activity: Jamaica [JM]

Are there any partners involved: Jamaica Customs
Trade Board Limited
Fiscal Services Limited
Jamaica Promotions Corporation
Shipping Association of Jamaica
Port Authority of Jamaica

What is partners role?: Partners have formed a working group to lay policy infrastructure and to monitor the progress of the project. Also provide systems integration with attendant responsibilities and resources

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