



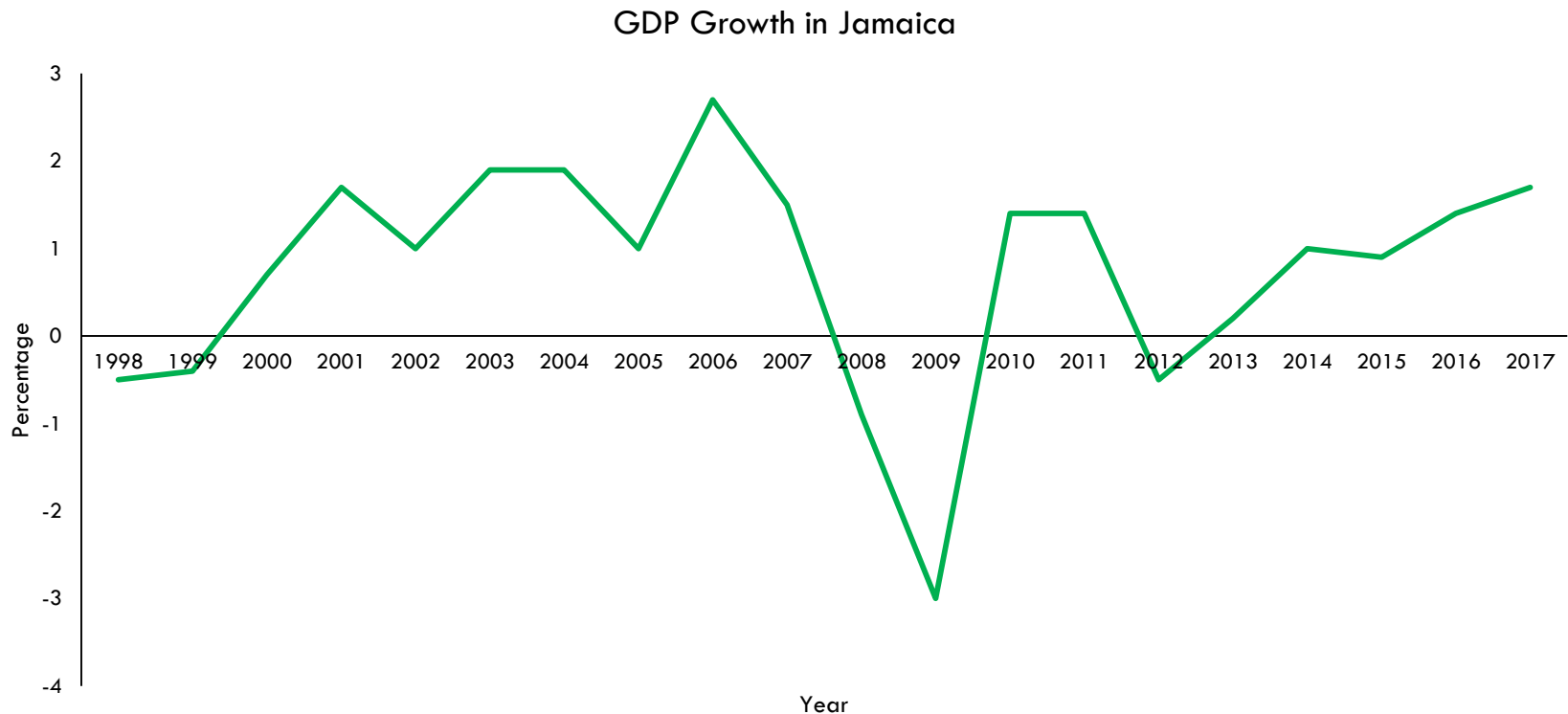
*Your Commercial Bank from* **GraceKennedy**

# EVOLVING PROSPECTS FOR ECONOMIC GROWTH & DEVELOPMENT IN JAMAICA

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First Global Bank

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# Challenged growth historically



***Jamaica has enjoyed anaemic growth  
over last few decades***

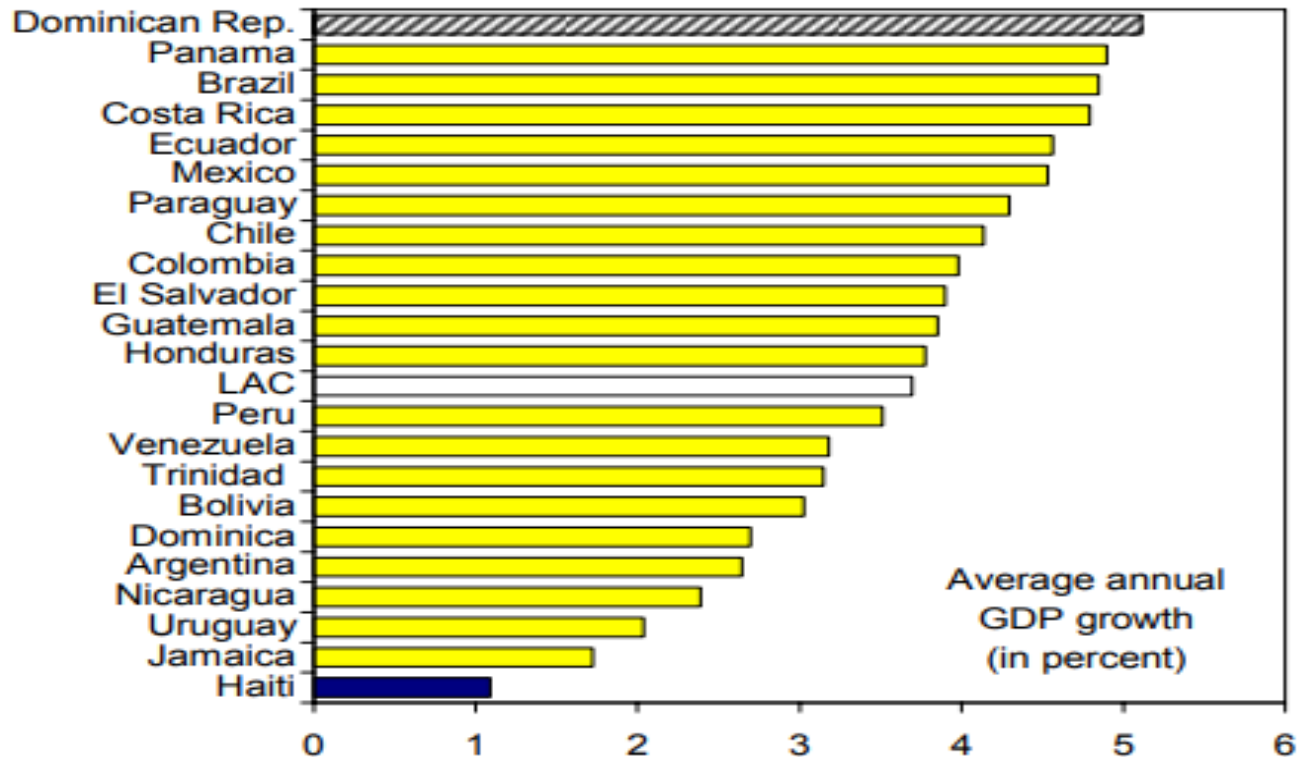
# However some firms have thrived...



Robust Profits



# In region, DR growing fastest...

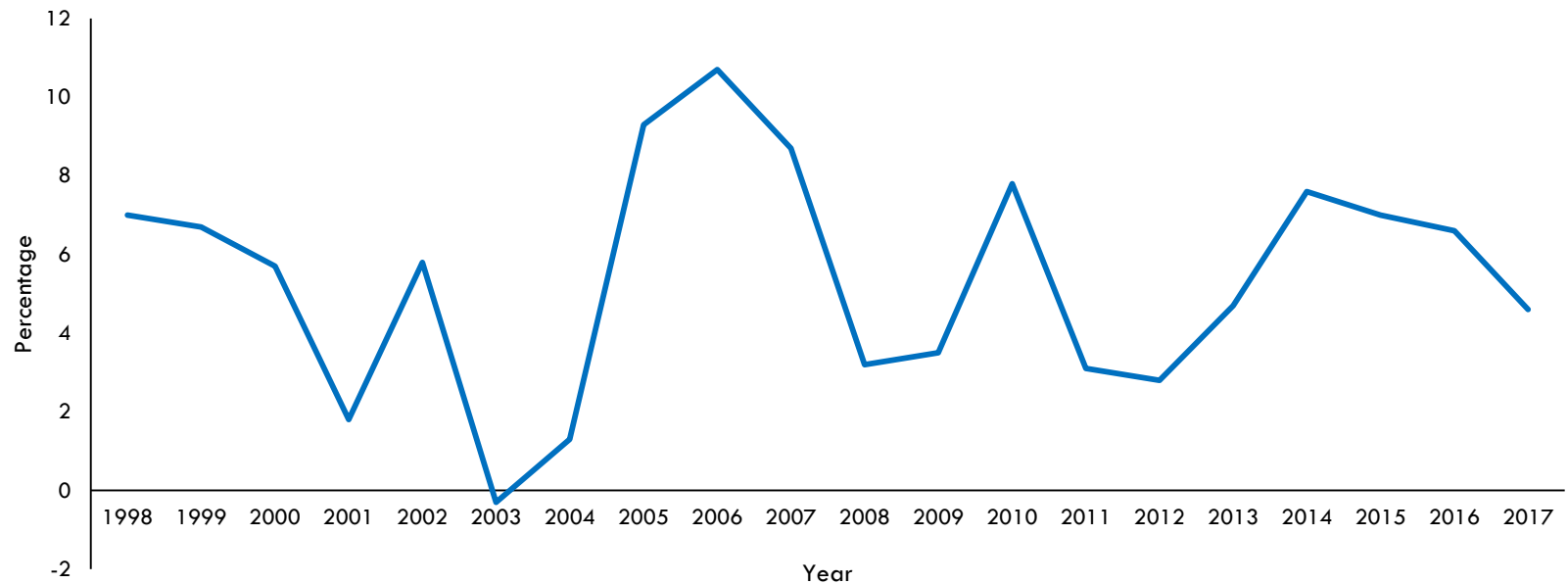


**Dominican Republic** is the **fastest growing** economy in the Americas

...with robust growth over the years



## ***GDP Growth in The Dominican Republic***



**What are main reasons for sustainable growth?**

# What is required for growth?



## Key Enablers

1



**Education System  
that works for all**

2



**Financing for  
businesses  
(all types, sizes)**

3



**Strong macro-  
environment &  
country leadership**

# Education: current state



## ***Snapshot: CSEC performance, Jamaica***

Year	% Math Passes	% English Passes
2010	30.5	64.9
2011	33.2	63.9
2012	31.7	46.2
2013	42.0	64.0
2014	56.0	66.0
2015	62.0	66.0
2016	47.7	71.2
2017	50.2	70.8
2018	57.8	75.4

## **Opportunities**

- **Case study: Gnowbe**
  - **Micro app mobile learning**
  
- **Skills based/vocational based learning**
  
- **Artificial Intelligence and the advent of 4<sup>th</sup> Industrial Revolution**

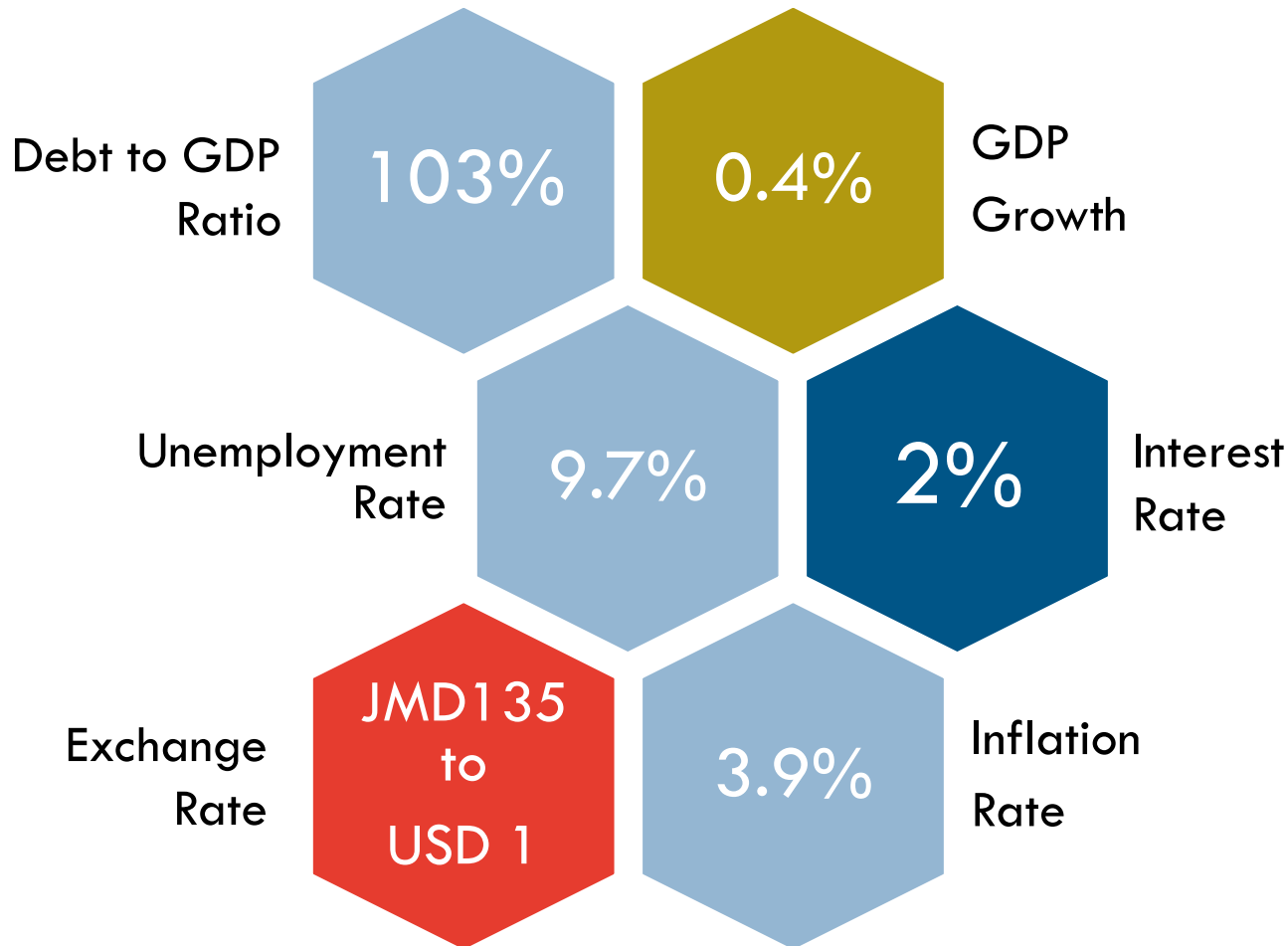
# Financing: current state



Source	Description	Pros	Cons	Easy in JA?
<b>Personal funds</b>	<ul style="list-style-type: none"> <li>Savings, credit cards</li> </ul>	<ul style="list-style-type: none"> <li>Easy access</li> </ul>	<ul style="list-style-type: none"> <li>Increases personal liability and risk profile</li> </ul>	
<b>Family/ friends</b>	<ul style="list-style-type: none"> <li>Cash from relatives, friends</li> </ul>	<ul style="list-style-type: none"> <li>Easy access with favorable terms</li> <li>Little governance</li> </ul>	<ul style="list-style-type: none"> <li>May damage personal relationships</li> </ul>	
<b>High Net Worth Individuals</b>	<ul style="list-style-type: none"> <li>Cash from individuals with net worth &gt; US\$1M</li> </ul>	<ul style="list-style-type: none"> <li>Larger check size</li> <li>Access without track record</li> </ul>	<ul style="list-style-type: none"> <li>Onerous terms</li> </ul>	
<b>Bank loan</b>	<ul style="list-style-type: none"> <li>Loan from commercial or development bank</li> </ul>	<ul style="list-style-type: none"> <li>Lower cost financing than equity</li> </ul>	<ul style="list-style-type: none"> <li>Lengthy process</li> <li>Difficult without track record</li> </ul>	
<b>Trade partner</b>	<ul style="list-style-type: none"> <li>Supplier financing</li> </ul>	<ul style="list-style-type: none"> <li>Better cash flow management in early period</li> </ul>	<ul style="list-style-type: none"> <li>May negatively affect negotiations in longer-term</li> </ul>	
<b>Venture capital</b>	<ul style="list-style-type: none"> <li>Cash from VC fund for equity</li> </ul>	<ul style="list-style-type: none"> <li>Business growth assistance</li> <li>Less cash flow impact early on</li> </ul>	<ul style="list-style-type: none"> <li>Dilution; onerous terms</li> </ul>	
<b>Private equity</b>	<ul style="list-style-type: none"> <li>Cash from PE fund for equity</li> </ul>	<ul style="list-style-type: none"> <li>Business growth assistance</li> <li>Less cash flow impact early on</li> </ul>	<ul style="list-style-type: none"> <li>Dilution; onerous terms</li> </ul>	



# Macro environment: current state



Source: Focus Economics  
As at September 2018\*

# Prospects for economic growth



## Growth areas-

- ▣ Technology
- ▣ Logistics
- ▣ Agriculture e.g. agro processing, cannabis
- ▣ Renewable energy
- ▣ Non-Traditional Tourism – eco, medical, volunteer
- ▣ Knowledge Process Outsourcing



THANK YOU



**Thank You!**