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INDUSTRIAL DEVELOPMENT STRATEGIES  
IN CARIBBEAN COUNTRIES  
JAMAICA

Prepared by  
Merle E. Henry  
Consultant

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This monograph on the Industrial Development Strategy of Jamaica has been prepared for the CEPAL Office for the Caribbean by Mrs. Merle E. Henry in her personal capacity. The views expressed are those of the author and do not necessarily reflect the views of CEPAL.



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## INDUSTRIAL DEVELOPMENT STRATEGY OF JAMAICA: 1970-1980

### I. INTRODUCTION

Industrial Development policies for the Caribbean territories have been formulated and re-formulated, both at the national and at the regional levels over the last three decades, some of the larger territories undertaking this activity longer than others, and yet they cannot claim to be highly industrialized. Certain circumstances have militated against industrial development and these can be considered in terms of the four factors of production - land, labour, capital and entrepreneurship.

Land and labour in the region can be considered to be in adequate supply - labour may even be said to be abundant in some of the territories. Although many of the skills available in the more industrialized countries are not present to any appreciable degree in the Caribbean, the record of the West Indian worker abroad suggests that the local labour force is adaptable and susceptible to training. Provided that trade union pressures do not lead to distorted wage - productivity relationships, given training, West Indian labour can contribute immeasurably to the industrial development of the Caribbean region.

It is capital and entrepreneurship which are the really scarce factors, and it is these which have to be mobilized with intensity in order to achieve satisfactory levels of industrialization.

The Caribbean Development and Co-operation Committee of the Economic Commission of Latin America has set itself the task of assisting the region towards the achievement of this goal. The preparation of a monograph on Jamaica's Industrial Development Strategy is therefore one in a series of such monographs to be used as instruments of study for the development of global and sectoral strategies for the total economic development of the Caribbean.

## II. GENERAL ECONOMIC CHARACTERISTICS OF JAMAICA

### a) Population

The tenth population census of Jamaica was conducted in April 1970 and the total population at 31st December of that year was 1,890,700, which represented an average annual increase of 1.5 per cent over the 1970 census figure. <sup>1/</sup>

In 1971, the population figure stood at 1,911,400, representing an increase of 1.1 per cent, over 1970. Between 1969 and 1970 the increase was 1.4 per cent, which indicated a slower growth rate in 1971 than in 1970. <sup>2/</sup>

Between 1970 and 1975 the rate of growth of the population had declined, so that by December 1975 the total population had reached 2,060,300 representing an annual growth rate of 1.7 per cent. <sup>3/</sup>

Since 1975 the net increase had continued to decline, and in 1979 the total population was 2,160,900, <sup>3/</sup> while the total projected for 1980 is 2,143,400 (low) and 2,411,600 (high), and for 1990 the projected total is 2,406,700 (low) and 3,346,600 (high). <sup>4/</sup>

Migration and the effects of family planning programmes have contributed to the steady decline in the birth rate in terms of:

i) the large proportion of females in the reproductive ages who migrate; and

ii) the numbers of births averted and the integration of maternal and child care services with clinical services.

These in turn contributed to the significant decline in the infant mortality rate which in 1975 stood at 23.5 per cent as compared with 25.9 per cent in 1974. <sup>4/</sup>

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<sup>1/</sup> Economic Survey, Jamaica 1970.

<sup>2/</sup> Economic and Social Survey, Jamaica 1975

<sup>3/</sup> Economic and Social Survey, Jamaica 1977

<sup>4/</sup> Economic and Social Survey, Jamaica 1979

TABLE 1

DEMOGRAPHIC STATISTICS

Year	Population at 31 December ( '000)	Crude Birth Rate (per 1000)	Death Rate (per 1000)	Rate of Natural Increase (per 1000)	Infant Mortality (per 1000) Live Births
1970	1,891	34.4	7.7	26.8	32.2
1971	1,911	34.9	7.4	27.5	27.1
1972	1,954	34.3	7.2	27.1	30.9
1973	1,991	31.4	7.2	24.2	26.2
1974	2,025	30.6	7.2	23.5	25.9
1975	2,060	30.1	6.9	23.2	23.5
1976	2,084	29.3	7.1	22.2	20.3
1977	2,109	28.9	6.8	22.1	15.1
1978	2,137	27.4	5.9	21.5	14.9
1979 <sup>5/</sup>	2,161	27.1	6.2	20.9	12.4

5/ Provisional estimates from Registrar General's Office.

Source: Economic and Social Survey, Jamaica.

Advances in public health and disease control measures have also been important factors in the reduction of the country's mortality rate.

It is worthy of note, however, that the rapid growth rate over the last few decades preceding the seventies had left the country with approximately 40 per cent of its people under the age of 15 <sup>6/</sup> and about to enter their child-bearing years, so that even if the present decline in the fertility rate is maintained for the next twenty years, this will not prevent Jamaica's population from seriously accelerating by the end of the century.

Another significant factor to be borne in mind is the heavy depletion of the country's pool of skills by emigration during the seventies which can act as a grave deterrent to economic development.

This depletion is already affecting the rate of implementation of development projects in the public sector, and the management of production in the private sector. The problem will become even more acute as economic recovery takes place. It necessitates not only long-term programmes for the expansion of professional training, but also a short-term remedial training policy to counteract further losses. It might be desirable too, to place greater emphasis on the up-grading of existing skills, and on-the-job training to fill the present void and meet future demands.

TABLE 2  
MAIN STREAMS OF JAMAICAN MIGRATION 1972-1978  
(Persons)

Country	1972	1973	1974	1975	1976	1977	1978
United States	13,427	9,963	12,408	11,076	9,026	11,501	19,265
Canada	3,092	9,363	11,286	8,211	7,282	6,291	3,858
U.K.	1,620	1,872	1,397	1,394	1,198	1,029	599
Total	18,139	21,198	25,091	20,681	17,506	18,821	23,722

Source: Economic and Social Survey, Jamaica 1979

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<sup>6/</sup> Economic and Social Survey, Jamaica 1979



Equally relevant is the need to restructure the present system of recruitment of overseas professionals with a view to attracting and retaining suitable personnel.

b) Gross Domestic Product

The Gross Domestic Product (GDP) increased steadily during the early years of the decade of the seventies, but as inflation gained momentum, its effects began to be apparent in the slowing down of the rate of growth from 1974 onwards.

TABLE 3  
NATIONAL ACCOUNTS AGGREGATES: 1969-1973

	1969	1970	1971	1972 <sup>7/</sup>	1973 <sup>8/</sup>
Gross National Product (at market prices) J\$m	916.0	1014.9	1120.2	1242.8	1487.7
Gross Domestic Product (at factor cost) J\$m	868.9	974.8	1093.5	1207.2	1437.7
National Income (at factor cost) J\$m	749.3	840.4	932.8	1034.4	1241.8
Personal Income J\$	681.8	787.4	869.2	974.0	1168.0
Per capita National Income J\$	406.4	449.6	490.7	535.4	631.0
Per capita Personal Income J\$	369.7	421.3	457.2	504.2	593.5
Per capita Personal Consumption J\$	346.7	382.5	432.5	471.6	554.0

Source: Economic and Social Survey, Jamaica, 1973

<sup>7/</sup> Provisional figures.

<sup>8/</sup> Preliminary figures.

In 1973 the GDP increased by 19.1 per cent as against 10.4 per cent in 1972. In 1975 there was an increase of 16.6 per cent over the 1974 figure of J\$2,269.9 million. In 1976, GDP had grown by 1.9 per cent over the 1975 figure of J\$2,647.3 million at current prices, while declining by 8.3 per cent at constant prices. The year 1977 saw an increase of 10.1 per cent at current prices, the figure moving from J\$2,698.8 million in 1976 to J\$2,970.9 million in 1977. The Manufacturing Sector retained its place as the largest contributor to the total product with a share of 18.2 per cent, valued at J\$541.5 million in current prices.

At constant values, however, there was a decline of 2.0 per cent in 1977.

TABLE 4

GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY IN  
PURCHASERS' VALUES AT CURRENT PRICES

(J\$million)

Industry	1971	1972	1973	1974	1975	1976	1977	1978
Agriculture, Forestry and Fishing	99.4	106.5	128.1	162.6	202.0	226.3	260.2	316.1
Mining and Quarrying	137.5	122.2	148.9	297.3	269.0	236.9	308.3	498.1
Manufacture	200.6	231.1	279.9	386.8	442.6	490.3	541.5	626.8
Construction and Installation	186.1	185.5	216.5	213.5	252.4	211.9	181.2	245.4
Electricity and Water	12.9	16.3	17.5	22.2	36.6	54.3	61.6	84.4
Transportation, Storage and Communication	77.5	93.2	122.3	137.0	156.1	171.5	190.8	224.7
Distributive Trade	204.7	239.3	278.7	409.2	517.1	432.3	472.0	633.5
Financial Institutions	59.7	65.0	80.9	93.4	109.0	111.1	115.1	143.2
Real Estate	104.8	120.2	149.2	204.6	252.4	279.2	299.0	319.8
Producers of Government Services	107.8	136.9	185.7	251.3	316.9	367.3	420.9	497.7
Miscellaneous	84.2	94.5	106.9	119.6	132.7	141.4	151.7	172.5
Households and Private Non- Profit Institutions	21.0	26.7	34.4	38.0	40.1	49.5	53.2	50.4
Less Imputed Service Charges	25.7	31.7	39.9	65.8	79.6	73.2	84.7	99.6
Total Gross Domestic Product	1,270.5	1,405.7	1,709.1	2,269.9	2,647.3	2,698.8	2,970.9	3,713.1

Source: Economic and Social Survey of Jamaica, 1975, 1976, 1977, 1978.

TABLE 5  
GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY IN  
PURCHASERS' VALUE AT CONSTANT PRICES

(J\$million)

Industry	1971	1972	1973	1974	1975	1976	1977	1978
Agriculture, Forestry and Fishing	164.6	167.0	157.3	162.7	165.0	158.3	170.8	186.6
Mining and Quarrying	243.7	252.3	261.7	297.3	227.6	184.5	217.3	221.7
Manufacture	365.8	371.2	383.0	386.8	396.0	376.0	339.8	323.5
Construction and Installation	329.2	347.4	279.3	213.5	211.9	169.0	129.3	132.9
Electricity and Water	15.9	17.8	19.2	22.2	32.1	23.8	23.4	23.7
Transportation, Storage and Communication	115.4	132.6	141.9	137.0	142.4	137.3	136.1	131.0
Distributive Trade	365.4	427.4	366.8	409.2	441.6	367.6	340.0	300.2
Financial Institutions	72.9	82.1	91.4	93.4	100.6	87.1	90.0	88.2
Real Estate	156.9	167.7	173.5	204.6	211.9	212.9	216.7	211.6
Producers of Government Services	158.6	185.9	222.7	251.3	218.3	234.9	257.7	268.4
Miscellaneous Services	123.9	131.3	125.0	119.6	112.2	108.5	100.9	102.9
Households and Non-profit Institutions	37.2	38.9	42.2	40.3	29.7	27.3	28.9	23.9
Less Imputed Service Charges	47.6	48.0	48.8	65.7	68.4	58.7	62.2	59.3
Total Gross Domestic Product	2,101.9	2,273.6	2,215.2	2,269.9	2,211.9	2,028.3	1,988.7	1,955.3

Source: Economic and Social Survey of Jamaica, 1978

c) The Public Sector

The importance of the public sector in the economic development of the country had been increasing over the years as Jamaica's economy took on new dimensions.

Between 1969-1970 and 1973-1974 recurrent expenditure rose from J\$150 million to J\$332.6 million<sup>9/</sup> an increase of approximately 121 per cent. This increase reflected, in part, the growing demand on the public sector to provide services which were essential to economic growth and development, combined with general price movements.

The overall increase affecting all categories of expenditure was largely due to the increase in personal emoluments occasioned by the reclassification and pay plan approved for Government employees together with the implementation of the five-day work week.

Between 1969-1970 and 1973-1974 recurrent revenues also rose, but this time by approximately 96 per cent, from J\$175.9 million to J\$344.9 million.<sup>10/</sup> However, despite the faster increases in expenditure than revenues, it was possible to maintain a balance between the two.

The original estimates for 1974-1975 expenditure exceeded the corresponding 1973-1974 estimates by 38 per cent and those for 1975-1976 exceeded the 1974-1975 by 52.8 per cent, approximately.<sup>10/</sup> In 1975-1976 there was a conscious and successful attempt to reduce the realized rate of expansion of the budget without reducing its scope or diminishing Government's participation in the economy.

This policy was continued into 1976-1977 in a deliberate move to reduce the inflationary impact of Government expenditure and soften the pressure on the country's balance of payments.

d) Anti-Inflationary Measures

Some of the measures adopted were:

- i) direct controls over imports

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9/ Economic and Social Survey, Jamaica 1973

10/ Economic and Social Survey, Jamaica 1975

- ii) tighter control over other transactions requiring the use of foreign currency, i.e., tighter Exchange Controls
- iii) direct measures to stimulate exports
- iv) measures to control the growth in factor prices and the demand for consumer goods and services.

The import restriction and monitoring measures were intensified in the first phase of the Anti-Inflation Package announced in 1975.

A new set of Exchange Control guidelines were established for foreign exchange remittances to Jamaican migrants, involving a reduction in their allowances and the imposition of limits on income remittances to migrants where they relate to their property or business owned in Jamaica.

The export stimulation package included:

- i) an increase in the credit facility under the Export Credit Scheme
- ii) the introduction of a Credit Guarantee Scheme to supplement the Export Credit Insurance Scheme
- iii) rebates of excise duty on locally produced raw materials used in the manufacture of exports foods.

An incomes policy was adopted which covered wages and salaries, profits (including its distribution) and rent, and a freeze on professional fees was imposed as the principal measures aimed at regulating the growth in factor prices and the demand for consumer goods and services.

The financial year 1978-1979 saw budget increase of 44.7 per cent over 1977-1978 when the assumed rate of inflation was 40 per cent.<sup>11/</sup>

It was at this stage that the Government entered into a very stringent agreement with the International Monetary Fund (IMF) aimed at correcting the persistent and growing fiscal imbalances of recent years which reached a peak in 1977-1978.

The Jamaican currency was devalued and a package of steep additional taxation was introduced, but this was not entirely successful as economic recovery was slow.

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11/ Economic and Social Survey, Jamaica 1978

Although the emphasis was on the stimulation of production, particularly in the export and agricultural sectors, and priority was given to the provision of infrastructure (e.g. water), to crop credit and to the maintenance of support prices for agricultural products, subsidies on many commodities and services were removed, resulting in sharp price increases in many instances. These resulting price increases, however, led to a decline in demand which in turn resulted in significant shortfalls from the tax package which itself was heavily reliant on consumption duty.

In 1979, the Government entered the second year of the three-year Extended Fund Facility Programme with the IMF under revised conditions, as the effects of the chronic balance of payments crisis on the economy became more severe and the employment level continued to fall as the productive sectors suffered from the lack of foreign exchange for importation of raw materials and spare parts.

Fiscal restraint remained an important feature of the policies adopted as the measures employed remained the same as in 1978, except that the devaluation of the Jamaican currency was discontinued.

However, the sharp increases in oil prices and the unprecedented high rates of inflation in the economies of Jamaica's traditional trading partners have been the two major factors which have militated against the economy's capacity to keep within the prescribed limits of the various IMF criteria.

e) External Trade

Merchandise trade grew rapidly over the last two decades into the decade of the seventies.

In 1970 the trade recorded an increase of 18.4 per cent over 1969, due largely to the significant increase in industrial activity and rising incomes. Imports rose by 19.8 per cent from J\$363.3 million in 1969 to J\$435.2 million in 1970, while exports rose by 16.3 per cent from J\$243.7 million in 1969 to J\$283.3 million in 1970. Total exports as a proportion of imports continued to fall, thus increasing the deficit on visible trade.

This trend has continued to the present as Table 6 below shows:

TABLE 6  
MERCHANDISE TRADE: 1969-1979  
(J\$million)

Year	Imports (c.i.f.)	Exports (f.o.b.)			Balance on Visible Trade
		Total	Domestic	Re-exports	
1969	363.3	243.7	238.0	5.7	-119.6
1970	435.4	283.3	277.9	5.4	-152.1
1971	450.7	283.9	276.4	9.5	-175.8
1972	493.2	300.3	292.6	7.7	-192.9
1973	614.5	354.7	347.7	7.0	-259.8
1974	850.8	664.4	653.1	11.3	-186.4
1975	1021.4	712.7	699.4	13.3	-308.7
1976	829.8	575.0	560.9	14.1	-254.8
1977	781.6	707.3	698.4	13.9	-74.3
1978	1260.0	1083.1	1068.2	15.0	-176.8
1979	1754.4	1445.8	1430.9	14.9	-308.6

Note: Figures for 1979 are only preliminary.

Source: Economic and Social Survey of Jamaica, 1970, 1975 and 1979.

The main products included in Jamaica's merchandise trade are listed below:

<u>Imports</u>	<u>Exports</u>
Consumer Goods:	Sugar
Food	Bananas
Other non-Durables	Bauxite
Durables	Alumina
Raw Materials:	Fruits and Vegetables
Fuels	Beverages and Tobacco
Other raw materials	Clothing
	Mineral Fuels and Lubricants.



Direction of Trade

Jamaica's main trading partners have been:

- 1) The Sterling Area - United Kingdom
- 2) The Dollar Area - USA, Canada and other American countries
- 3) The European Economic Community (EEC)
- 4) European Free Trade Area (EFTA) (including UK and territories)
- 5) Caribbean Community (CARICOM).

Total merchandise trade with these areas continued to increase as time went on, but in 1975 a shift away from the Dollar Area became apparent as total trade increased with the Sterling Area and with CARICOM and the rest of the world, although there was also a slight decline in the proportion of trade with the EEC and EFTA.

However, by 1978 the trade balances with most countries had deteriorated as the growth in imports was not matched by corresponding increases in exports. Thus, the surplus achieved with CARICOM in 1977 became a deficit, the deficit with the Dollar Area increased significantly and that with the EEC increased moderately.

During 1979, there was further movement in the geographical distribution of Jamaica's trade away from the Sterling and Dollar Areas as efforts were made to diversify her trading relationships.

It is likely however, that with the recent accession to power of a new Administration in the Government of Jamaica, there may be a greater portion of the trade shifting back to the Sterling and Dollar Areas in the eighties.

Table 7 below gives an indication of the country's trade by Currency Area and Trading Groups from 1971-1979.

TABLE 7

TRADE BY CURRENCY AREA AND TRADING GROUPS: 1971-1979

(J\$million)

Currency of Trading Areas	1971	1975	1976	1977	1978	1979
<b>Sterling</b>						
Imports	117.6	168.3	121.6	98.0	158.8	207.6
Exports	70.0	182.6	106.3	158.6	299.5	330.0
Balance on Visible Trade	-47.6	+14.3	-15.3	+60.6	+140.7	+122.4
<b>Dollar</b>						
Imports	254.0	600.7	496.3	470.5	772.1	100.4
Exports	156.1	308.9	297.4	388.6	533.4	109.5
Balance on Visible Trade	-95.9	-291.8	-198.9	-81.9	-238.7	+9.1
<b>CARIFTA/CARICOM</b>						
Imports	11.0	85.8	58.0	38.4	71.0	1001.1
Exports	11.3	31.2	39.3	44.1	65.1	787.1
Balance on Visible Trade	+0.3	-54.5	-18.6	+5.7	-5.9	214.0
<b>EEC</b>						
Imports	50.1	95.2	99.5	131.2	144.7	117.0
Exports	2.6	6.3	11.7	11.2	20.3	14.3
Balance on Visible Trade	-47.3	-88.9	-40.8	-120.0	-124.4	-102.4
<b>EFTA</b>						
Imports	9.2	16.4	12.7	11.9	16.8	26.0
Exports	31.2	94.0	100.5	94.9	97.2	89.0
Balance on Visible Trade	-22.1	+77.6	+87.8	+83.0	+80.4	+63.0
<b>Other Areas</b>						
Imports	19.8	149.0	41.7	31.6	96.6	302.3
Exports	12.5	89.7	20.1	9.9	56.6	116.0
Balance on Visible Trade	-7.3	-59.3	-21.6	-21.7	-40.0	-186.3
<b>Total</b>						
Imports	459.7	1021.4	829.8	781.6	1260.0	1754.4
Exports	283.9	712.7	575.0	707.3	1072.1	1445.8
Balance on Visible Trade	-175.8	-308.7	-254.0	-74.3	-187.9	-308.6

Source: Economic and Social Survey, Jamaica 1975, 1978, 1979

### Intra-regional Trade

Between 1969 and 1972 imports from CARIFTA and CARICOM countries increased more rapidly than exports. But this trend was halted in 1973, thus creating only a marginal increase in the trade deficit.

Trinidad and Tobago, the principal trading partners have continued to supply some of Jamaica's petroleum requirements, while Guyana supplied increased quantities of rice.

Increased earnings have been realized from domestic exports such as "food", "machinery and transport equipment", "manufactured goods", and "beverages and tobacco" during the decade.

Favourable trade balances have been maintained with almost all the partners in the region, despite the devaluation of the Jamaican dollar, the restrictions on CARICOM imports and the stringent import policy measures adopted by Guyana in recent years.

The following tables give an indication of (1) the flow of Jamaica's trade with her CARIFTA/CARICOM trading partners in 1969-1970 and 1978-1979 and (2) the Domestic Exports to CARICOM and the Imports from 1976-1978.

TABLE 8

TRADE WITH CARIFTA COUNTRIES 1969-1970

(J\$'000)

Year	Total Trade	Imports	Total Exports	Domestic Exports	Re-exports
1970	16,818	7,325	9,493	8,668	825
1969	12,705	4,879	7,826	7,642	184

Source: Economic and Social Survey, Jamaica, 1970

TABLE 9

TRADE WITH CARICOM 1978,1979

(J\$'000)

Countries	Imports (c.i.f.)		Total Exports fob		Balance on Visible Trade	
	1978	1979	1978	1979	1978	1979
Barbados	4693	5902	14665	19980	+9972	+14078
Guyana	25814	19750	4243	11049	-21571	-8701
Belize	2156	3802	2575	4169	+419	+367
Antigua	361	997	2257	2769	+1896	+1772
Montserrat	-	-	303	452	+303	+452
St. Kitts-Nevis	310	150	560	1000	+250	+850
Trinidad	34710	65996	38737	62043	+4027	-3953
Dominica	470	990	1275	994	+804	+4
Grenada	35	36	1003	1729	+968	+1693
St. Lucia	2417	2332	1898	3608	-519	+1276
St. Vincent	19	421	866	1712	+847	+1291
Total	70985	100376	68382	109505	-2604	+9129

Note: Figures for 1979 are preliminary

Source: Economic and Social Survey, Jamaica 1979

TABLE 10

IMPORTS FROM CARICOM 1976-1978<sup>12/</sup>

(J\$'000)

Items	1976	1977	1978
Food	18,807	14,508	29,227
Beverages and Tobacco	105	161	87
Crude Materials Inedible except Fuel	1,352	1,273	1,702
Mineral Fuels and Lubricants	17,226	8,522	17,600
Chemicals	5,533	2,924	5,849
Manufactured Goods	9,029	6,556	9,981
Machinery and Transport Equipment	4,051	3,417	4,946
Other Products	1,758	1,102	1,533
Total	57,861	38,463	70,925

<sup>12/</sup> Countries include: Antigua, Barbados, Dominica, Grenada, Guyana, Montserrat, St. Lucia, St. Vincent, St. Kitts-Nevis, Trinidad and Tobago and Belize.

Source: Economic and Social Survey, Jamaica 1978

TABLE 11

DOMESTIC EXPORTS TO CARICOM 1976-1978

(J\$'000)

Items	1976	1977	1978
Food	6,141	5,702	10,437
Beverages and Tobacco	2,330	2,333	2,245
Crude Material	490	709	797
Mineral Fuels	1,860	2,558	2,236
Chemicals	9,567	9,766	14,919
Manufactured Goods	14,142	17,002	27,653
Machinery and Transport Equipment	3,234	3,838	6,014
Other Products	6	178	143
Total	37,770	42,086	64,444

Source: Economic and Social Survey, Jamaica 1978

f) Energy

Jamaica's energy is supplied from oil and petroleum imports from OPEC countries, including Trinidad and Tobago in the Caribbean. The international oil crisis faced by the majority of the Western World has forced the country to intensify its efforts at reducing its dependence on imported oil by a national energy conservation campaign and to diversify its energy supplies away from imported petroleum;

In the latter part of the decade, Jamaica embarked on a major oil and natural gas exploration programme in the Pedro Banks in the parish of St. Elizabeth. Simultaneously, an evaluation was undertaken of the peat resources in the lower Black River and Negril Morasses in the parishes of St. Elizabeth and Hanover, respectively. These activities formed a part of a concentrated effort to identify and develop indigenous energy sources in order to reduce the country's extreme dependence on imported commercial energy.

An Energy Sector Plan was formulated as part of the Five Year Development Plan of 1978-1982, and institutional support for the implementation of this Plan was established within the Ministry of Mining and Energy with the expansion of the Energy Division in that Ministry.

The main functions of the Division included:

- i) formulation of energy policy, total energy planning, co-ordination of research and development, and over-view of implementation programmes
- ii) responsibility for the establishment of a National Energy Accounting System to identify and quantify input-output within each sector of the economy.  
This system will provide data on energy usage by each sector in order to control the use of energy resources and identify fuel substitution possibilities
- iii) negotiation of Government to Government arrangements for the supply of crude oil on favourable terms

- iv) evaluation of all energy project proposals, especially on projects being undertaken by Government investment agencies
- v) regulating the petroleum industry with regard to the importation of petroleum and petroleum products; off-shore sales and exports of all petroleum products including "bunker" sales, level of production of the ESSO Refinery and distribution
- vi) formulation of a pricing policy for petroleum
- vii) dissemination of information on the energy crisis, conservation methods and development of alternative energy resources.

Other institutional support was provided for the implementation of the Energy Plan through the following new establishments:

- i) The Petroleum Corporation of Jamaica, with its subsidiary the Petroleum Company of Jamaica, charged with the responsibility to explore and develop the petroleum, peat and hydro-power resources of the country
- ii) The Renewable Energy Division of the Scientific Research Council responsible for research, testing and modifying technology on new non-conventional energy sources
- iii) National Energy Commission which advises on policy formulation and implementation
- iv) The National Advisory Council on Energy which advises, evaluates and monitors programmes and projects for energy conservation.

Other internal energy sources which were being actively developed were Solar Energy, Biogas, Charcoal and Wind power.

Several other alternate energy sources which require long research and development lead times were also being examined including geothermal, sea thermal gradients and hydrogen.



Jamaica received assistance with her Energy Programme from the following foreign agencies - World Bank, UNDP, CIDA, US AID, Sweden, Norway, Iraq, EDF, and OAS.

Despite this intensity of efforts to develop our local energy resources, it was not likely that Jamaica would become self-sufficient in the foreseeable future, hence steps were also being taken to maintain close relations with our main oil suppliers Venezuela, Nigeria and Mexico.

### III. THE INDUSTRIAL SECTOR (MANUFACTURING)

#### a) General Characteristics

The Manufacturing Sector is a major contributor to the level of production and employment in the Jamaican economy. In 1970 this sector was the second largest contributor to GDP, contributing 13.6 per cent of the total or J\$132.5 million. By 1972 it was the largest contributor, increasing to J\$176.7 million<sup>13/</sup> or 14.6 per cent of total GDP.

During 1973 however, world-wide shortages and rapidly escalating prices of imported raw materials exerted adverse influences on the sector's performance. This trend continued throughout the decade and has been exacerbated by the energy crisis and internal industrial unrest. Despite these difficulties however, in 1973 and 1974, the sector maintained continuing expansion in terms of value of its products, though at a lower rate than in previous years.

By 1975, the total economy began to be reviewed with grave concern and the consensus was reached that production and productivity were the keys to economic advancement and positive steps were taken to motivate production by increased incentives and other measures.

By 1979 the Manufacturing Sector had recorded a negative growth of 3.5 per cent, a reflection of the effects of adverse weather conditions and crop disease in the sugar industry, industrial unrest and a general climate of uncertainty regarding foreign exchange and the generally depressed state of the economy.

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<sup>13/</sup> At factor cost and current prices.

TABLE 12

CONTRIBUTION OF MANUFACTURING AND PROCESSING TO  
GROSS DOMESTIC PRODUCT AT FACTOR COST:  
CURRENT PRICES: 1969-1973

(J\$million)

Sub-sector	1969	1970	1971	1972	1973
Food (excluding sugar)	23.8	25.5	29.8	40.7	43.8
Sugar, Molasses and Rum	10.3	10.4	11.0	12.4	12.6
Alcoholic Beverages (excluding rum)	6.9	7.4	7.8	8.7	10.3
Non-alcoholic Beverages	2.9	2.9	3.0	3.3	3.5
Tobacco and Tobacco Products	5.7	5.7	6.1	6.8	8.0
Textiles and Made-up Textile Goods	10.3	12.4	18.5	20.4	25.7
Footwear	2.0	2.9	3.2	3.8	4.3
Wood and Wood Products (excluding Furniture)	2.8	3.0	2.1	3.4	4.4
Furniture and Fixtures (excluding Upholstering)	5.5	6.4	7.9	8.1	8.9
Printing, Publishing and Other Paper Products	9.2	9.3	10.0	10.7	13.1
Leather and Leather Goods (excluding Footwear)	0.4	0.4	0.4	0.4	0.6
Chemicals and Chemical Products	8.9	10.2	11.6	13.9	14.8
Cement and Clay Products	10.0	10.9	11.1	12.7	13.6
Metal Products and Repairs	16.6	18.0	19.6	22.6	26.7
Miscellaneous Manufactures and Repairs	6.0	7.0	8.0	8.8	11.1
Total	121.3	132.5	151.2	176.7	201.6
Percentage Contribution to GDP	14	13.6	13.8	14.6	14

Source: Economic and Social Survey of Jamaica 1973



TABLE 13

CLASSIFIABLE LABOUR FORCE AND EMPLOYMENT IN MANUFACTURING 1972-1979

(Number of Persons)

	1972		1973		1974		1975		1976		1977		1978		1979	
	April	Oct.	April	Oct.	April	Oct.	April	Oct.	April	Oct.	April	Oct.	April	Oct.	April	Oct.
Labour Force	88700	92400	94100	96300	98800	97900	89400	95200	95200	96500	101200	96700	98800	99100	95600	98000
Employment	78400	75400	78900	80300	81400	81100	75200	72700	76100	75000	77600	74900	79700	78200	75600	71900

Source: Economic and Social Survey, Jamaica 1971, 1975 and 1979.



TABLE 14  
VALUE OF DOMESTIC EXPORTS OF  
SELECTED MANUFACTURED GOODS  
1973-1978  
(J\$million)

	1973	1974	1975	1976	1977	1978
Cocoa and Coffee Products	1.7	1.9	2.4	2.3	1.2	2.5
Miscellaneous Food Preparations (mainly Sauces, Seasonings and Soups)	0.8	1.4	2.5	2.1	1.1	4.5
Sugar	35.4	74.4	139.7	55.9	68.0	90.6
Rum	2.5	5.7	5.8	6.0	6.4	7.7
Other Alcoholic Beverages	5.4	6.8	7.6	8.7	11.5	15.8
Tobacco Products	3.7	4.2	4.8	5.8	7.9	8.7
Mineral Fuels, Lubricants and related Materials	8.3	9.5	10.5	15.0	15.8	33.0
Chemical Elements and Compounds	0.6	0.6	1.3	1.0	1.5	3.7
Dyeing, Tanning and Colouring Materials	0.9	1.3	1.5	1.7	1.9	2.6
Medicinal and Pharmaceutical Products	0.8	1.3	1.3	2.1	2.1	4.4
Essential Oils, Toilet, Polishing and Cleansing Preparations	4.0	5.0	5.6	6.0	6.7	8.1
Paper and Paper Products	0.7	1.3	1.1	1.5	1.6	3.5
Textiles and Textile Products	1.1	1.9	0.7	0.8	0.7	1.0
Non-metallic Mineral Manufactures	1.8	3.2	4.6	10.0	1.4	-
Iron and Steel	0.2	0.5	0.7	3.2	3.9	5.7
Manufactures of Metal n.e.s.	1.5	2.6	2.3	2.5	2.3	4.4
Machinery (non-electrical)	0.3	0.1	0.2	0.8	1.1	2.2
Machinery (electrical)	1.3	1.9	2.1	2.6	3.0	4.9
Furniture	0.6	0.7	0.4	0.8	1.9	3.3
Clothing	4.6	4.2	4.2	4.6	3.5	5.4
Footwear	0.4	0.4	0.6	0.7	0.9	0.9
Total including Sugar	76.8	129.2	199.7	124.9	144.7	213.6
Total excluding Sugar	41.4	54.8	60.1	69.0	76.7	123.0

Source: Economic and Social Survey, Jamaica 1973-1978

b) Main Problems and Some Remedial Measures

1. Considerable increase in the cost of labour and other factors of production for some industries
2. Increase in the number of industrial disputes
3. The rapidly rising cost of locally produced manufactured goods
4. Shortage and increase in cost of imported raw materials
5. Cash flow problems - many firms faced with sluggish market conditions locally and unable to collect outstanding debts or exploit export market opportunities were hard pressed to find adequate working capital to support normal production level. At the same time the interest rates on bank loans were escalating
6. The depressed state of the construction industry
7. The uncertainty expressed in some sections of the Private Sector regarding the direction of Government's policy, with specific reference to import licences, the payment of foreign debts and the operation of the prices and incomes policy. This situation persisted despite the Government's explanation of its concept of the Mixed Economy which provided basic guidelines for operation of the Private and Public Sectors
8. Tenuous international monetary situation
9. The Energy Crisis.

All these factors combined to adversely affect output in the Manufacturing Sector and to make Jamaica's products less competitive in the export market.

The difficult foreign exchange situation necessitated further severe restrictions on imports of raw materials and capital goods, and, in order to ensure effective control over the issue of import licences, the Trade Administrators' Department was restructured. This activity created much delay in the processing of the licences and disrupted production flows in several enterprises.



A two-tier exchange rate structure was also introduced in April 1977 whereby the existing rate of J\$0.9090 = US\$1.00 was designated the Basic Rate and was made applicable to a number of specified transactions in an effort to generate additional export earnings. All other transactions attracted the Special Rate of J\$1.25 = US\$1.00 which represented a depreciation in value of the Jamaican dollar of approximately 38 per cent. One result of this adjustment was a significant increase in the price of some of the imported inputs utilized by the Manufacturing Sector.

c) Promotional Policies and Strategies

i) Industrial Development Programme 1975-1980

The emphasis of industrial development policy up to 1975 had been the establishment of consumer goods industries, oriented to the local market and to import substitution activities. Tax holidays, market protection, and import duty concessions on raw materials and machinery were the main incentives given to promote these industries and to stimulate growth in the manufacturing sector. This approach, however, had the dual effect of both stimulating growth and at the same time encouraging the establishment of many un-economic production units which depended heavily on foreign technology and raw materials.

It was at this stage that the Government decided that more positive steps had to be taken to broaden the country's industrial base in order to move into a more meaningful phase of industrialization and to:

- a) develop local resource-based industries
- b) develop industrial skills capable of producing industrial products which were competitive in price and quality on the local and foreign markets
- c) adapt and develop technology and production tools and machinery suitable for local conditions
- d) exploit market opportunities opened under trade arrangements with the Caribbean Common Market, the Lomé Convention and the Generalized Scheme of Preferences.

An industrial Development Programme was therefore formulated for the period 1975-1980 with the following objectives:

- "a) the creation of at least 40,000 jobs within the manufacturing Sector during the five-year period. Industrial employment (excluding the sub-sector Made-up Textiles) increased from 44,543 in 1960 to 68,400 in 1974. The objectives of increasing industrial employment by approximately 50 per cent in five years is in recognition of the fact that substantial inroads can be made into the unemployment problem only for the extent that the manufacturing sector is able to make a significant contribution to employment creation ...
- b) an increase in the real gross domestic product contribution of the sector at a rate of at least 10 per cent per annum during the Plan period ...
- c) the development of the Sector on a basis which will permit an average annual increase of at least 30 per cent in the volume of export of manufactured goods. On this basis of a 30 per cent increase per annum, exports of manufactured goods will amount to at least J\$177 million in 1980". <sup>14/</sup>

#### Public Sector Participation

In the decade preceding the seventies, the main instruments of industrial development policy were Industrial Incentive Laws and Schemes for the protection of infant industries. It was felt that, from the experience of a number of countries, "a most effective solution to the problem of sector under-investment and the irrational allocation of resources was public sector initiative in those sub-sectors which can be described as critical from a growth inducing point of view. Such initiatives would be taken in collaboration with private capital. Public Sector intervention on this basis must be seen as an important supplement to whatever was the range of fiscal and non-fiscal incentives established by the Government." <sup>14/</sup>

The following areas were identified for public sector intervention as many of them were already private sector activities:

1. Textile Fabric Production - joint venture with local and perhaps foreign capital
2. Cement Production - share-holding in the existing plant and joint venture in a new plant
3. Steel Production - possible joint venture
4. Flour Milling - joint venture
5. Aluminium Fabrication - joint ventures with Mexico, Venezuela, Trinidad and Tobago and Guyana
6. Oil Refining and Petro-Chemical Production - sub-projects of Luana Development Complex
7. Fertilizer Production - possible joint venture involving production of sulphate and ammonia
8. Manufacture of Paper - wrapping and packaging plus lime board from bagasse and waste paper
9. Food Processing - joint venture
10. Sheet Glass Manufacture -
11. Manufacture of Refractory Bricks.

These were envisaged to have:

- a) a high degree of inter-industry linkages with indigenous resource base
- b) a substantial labour employment content
- c) a significantly high export potential
- d) a high social welfare element
- e) the capacity to provide skill training.

No one programme or project by itself however, could achieve the stated objectives and so the whole plan was a mix of projects which sought to satisfy the basic objectives in varying degrees.

The development of agro-industries was also identified as a priority area for attention. The country's agricultural output must provide a substantial amount of the inputs into industry as -

- a) the agricultural sector had the capacity to sustain the nation's food consumption requirements
- b) it formed the base of most of the country's exports
- c) it had tremendous possibilities for providing sectoral linkages
- d) it had the potential for substantial employment creation.

Such agro-industries as food-processing for the local and foreign markets, sugar by-products, the furniture industry and other wood-based industries, for example, pulp and paper and bagasse board for the building industry were promoted.

ii) The Emergency Production Plan 1977/78

As a consequence of the acute foreign exchange crisis affecting Jamaica at the beginning of 1977 and the Government's commitment to pursue its policy of social reforms and people-oriented programmes under Democratic Socialism, an Emergency Production Plan for the financial year 1977/78 was prepared to identify sources and means of mobilizing idle domestic resources in order to produce goods and services which were basic needs of the masses of the population.

Emphasis was placed on activity oriented towards low income groups, and which utilize little foreign exchange but had high exchange-earning potential. Thus, agricultural production for domestic consumption, construction, craft industry and small business and export manufacturing were the fundamental bases of the production strategy as they satisfied the criteria of the existence of idle and under-utilized resources, the production of necessities and the minimization of foreign exchange costs.

iii) Institutional Framework

In view of the fact that the nation's industrial development programmes and projects had always pivoted around the Jamaican Industrial Development Corporation and a few other institutions, and the Plan for

1975-1980 as well as the Emergency Production Plan proposed many innovations in methodology for implementation of their proposals, it was necessary to modify the institutional framework in order to ensure more effective public sector participation and to design a formula for financing the Government's industrial development activities.

The following were some of the major new institutions which were established to complement the existing ones:

1. Jamaica Export Trading Corporation (JETCO) - a subsidiary of Jamaica National Export Corporation (JNEC) - to promote the export trade, particularly the marketing of non-traditional (agricultural and industrial) exports
2. State Trading Corporation and the Jamaica Nutrition Holding - to conduct bulk purchasing of certain commodities such as wheat for baking and counter flour, corn and soya bean meal mainly for animal feeds, skim milk powder, chicken meat, corned beef, pork, rice, etc. in order to help remove a great deal of uncertainty about supplies of raw materials and their prices for manufacturers and to help to stabilize prices of consumer goods
3. Small Enterprises Development Corporation (SEDCO) - to provide fixed assets (excluding land and buildings) to small businesses in garment manufacture, woodwork, footwear, light metal fabrication and food processing.
4. National Institute of Craft - an expansion of the former "Things Jamaican Limited" in the operations of the following projects: leather craft, alabaster wood, woodcraft, vegetables, pottery, weaving, embroidery, straw, toys, pewter, etc.
5. Community Enterprise Organizations Limited/Community Economic Organization (Project Development) Company Limited
6. Jamaica National Investment Corporation (JNIC)

7. Prices Commission
8. The Mixed Commission to provide the institutional framework within which the Government, the private sector and the trade unions would meet in on-going dialogue about industrial strategies and other matters relating to the growth and development of the economy within the context of the Mixed Economy
9. The Export Development Fund
10. The Packaging Commission/Packaging Research, Testing, Information and Co-ordination Centre.

iv) Financing

The bases for financing some of the activities included Government grants, Government supported bond issues, share issues, access to short-term finance and self-supporting finance from operational profit.

v) Industrial Incentives

In an effort to encourage the Private Sector to perform at the required level, the Government initiated some new measures such as:

a) The Social Contract

As part of the Economic Recovery Programme, a Social Contract based largely on an atmosphere of mutual trust and co-operation between all sectors of the society, was presented to the nation in May 1979, the two main elements of which were:

- i) revised Prices Policy aimed at generating surpluses in Manufacturing enterprises to be reinvested to create additional production and employment.

Under this revised policy producers and distributors were required to hold price increases to a maximum of 10 per cent per annum for the next two years from May 1979. This limit was based on the expectation that only unavoidable increases in costs would be passed on to the consumer and that the main

elements of inflation, particularly rises in cost of imported items and increases in labour costs would also be kept within 10 per cent. Producers were expected to be continually examining their cost structures to ensure that, wherever possible costs would be absorbed by the enterprise.

- ii) Incomes Policy - the success of the Prices Policy depended to a large extent on the support of an Incomes Policy which would help in controlling labour costs. A limit of 10 per cent per year was set on pay increases for the next two years from June 1979.

These guidelines did not have legal status and, although they assisted in restraining price and wage escalation, their enforcement was impossible.

- b) A review of the Industrial Incentives Scheme incorporating criteria to encourage exports, increased employment and use of indigenous raw materials

- Export Incentive Scheme comprising the Export Industry Encouragement Law
- Ten years tax holiday
- Relief from tonnage tax and customs duties during concessionary period
- Duty-free importation of materials for factory construction alteration, reconstruction and extension and machinery and equipment
- Continuous duty-free importation of raw materials and items for repair and replacement of equipment
- Certified Exporter Scheme
- Export Development Fund
- CARICOM Harmonization Scheme
- Exemption from income tax for specified period

- Relief from tonnage tax and customs duty on plant and equipment, machinery, spare parts, raw materials throughout incentive period
- Carry forward of aggregate net losses for five years after tax holiday
- Depreciation deduction called an "initial allowance" not exceeding 20 per cent of any capital expenditure on plant, equipment and machinery after expiry tax holiday
- Export Credit Facilities - the Bank of Jamaica made funds available through commercial banks at preferred rate of interest of 7 per cent for three months to exporters. Exporters were required to obtain insurance coverage from the Jamaican Export Credit Insurance Company in order to gain access to the Scheme and the exporting company had to be a Jamaican company with controlling interests held by Jamaicans
- Export Credit Insurance - provided insurance for exporters against non-payment for goods shipped abroad.

c) Development Loans

The Jamaican Development Bank which performed an important role in providing some finance to the industrial sector, was inadequate to satisfy all that sector's needs and additional funds were provided to that Bank by the Government to increase the level of lending to the industrial sector.

d) Revised policy guidelines on foreign investment and the transfer of technology aimed at harmonizing such investments and transfer with national policies and priorities.

e) Increased financial and technical resources to small and medium size manufacturers.

f) Expanded co-ordinated programme for on-going training in industry, embracing such areas as management, repair and maintenance, quality control, design and furnishing, industrial engineering and supervision.



g) Allocation of foreign exchange to industrial enterprises based on objective criteria and an established order of priority.

h) Industrial Extension Services and Management Audit System - provided and operated by the Jamaica Industrial Development Corporation.

i) Land Purchase and Development Programme and Factory Construction Programme (Industrial Estates) - implemented by the Jamaican Industrial Development Corporation.

vi) Import Substitution

The import substitution programme was expanded to cover the displacement and replacement of as wide a range of imports as possible, e.g. metal products (hand and edge tools, hardware, metal sanitary ware, fabricated pipes and fittings, simple agricultural implements, steel pipes, etc.), cement, automobile parts, fertilizers, caustic soda, paper products, footwear, processed foods, garments, textiles.

The local production of capital and intermediate goods to the extent where they became an important part of the industrial sector's activity was the most effective way of maximising the overall effects of industrial development as well as the benefits from the import substitution programme.

vii) Worker Participation

Another feature of the Government's strategy during the Industrial Development Plan Period 1975-1980 was greater worker participation and management of the industrial sector. This had had both advantages and disadvantages.

viii) Regional Industries and Regional Incentives

As a member of CARICOM, Jamaica was committed to the concept of regional co-operation and had sought to identify projects for joint venture with other Caribbean territories, pooling the various national resources for which they had the greatest comparative advantages.

Some of the areas identified for preliminary investigation towards joint ventures were:

1. Polyester-cotton textile plant
2. Expansion of the cement industry
3. Fertilizer production
4. Increase in steel production
5. Aluminium fabrication.

In order to supplement the effort to stimulate industrial development in specified areas within the economy and in respect to industrial activities which had been accorded high priority, regional incentives were granted, e.g. rebates from corporate enterprises which were permitted to invest the related amounts in approved industrial projects located in selected areas.

The success of the regional industrial development programme was not as encouraging as anticipated, and one of the major obstacles to its success appeared to stem from the different levels of development reached by the various territories as the projects might not have coincided with the particular territory's national objectives at the particular time.

#### IV. A LOOK AT THE FUTURE

Embodied in the Five-Year Development Plan (1978-1982) for Jamaica were some of the strategies to be adopted for industrial development in the early years of the 1980's. They entail an expansion and continuation of the strategy enunciated in the Industrial Development Plan for 1975-1980 -

1. Maximization of the use of existing capacity with the development of the new capacity concentrated on enterprises with significant linkages in the domestic economy
2. The Mixed Economy approach
3. Strengthening financial base of the Manufacturing Sector
4. Promotion of increased exports of manufactured products
5. Location of industry
6. Policy on Packaging
7. Small business development.

#### New Administration

However, as the decade of the seventies drew to a close, the political scene in Jamaica took on a new complexion. The General Elections in October 1980 ushered in a new Administration which had given clear indications of its intention to alter the course of the country's development and to adopt new policies and strategies.

Under this new Administration the emphasis for the Industrial Sector for the next three years will be:

1. Raw materials and spare parts - the acute shortages of raw materials and spare parts for the manufacturing sector will be addressed by the provision of adequate supplies to bring capacity utilization to over 80 per cent by the end of the third year of the Economic Recovery Programme

2. Exports - higher priority to be given to producing for the export markets for Europe and the Americas
3. Support Services -
  - i) a complete overhaul of the Licensing System and simplification of its procedures
  - ii) re-organization of the Jamaica Industrial Development Corporation, the Scientific Research Council, Jamaica Development Bank and the Jamaica Bureau of Standards
  - iii) establishment of an Investment Promotion Unit where all new projects will be prepared and registered, information, advice and assistance provided to investors, and new projects monitored
4. Small Business - a review and upgrading of the institutions catering to the development of Small Business
5. Distribution
  - i) a review of the operations of the State Trading Corporation with a view to stimulating competition by world-wide tender in the procuring of goods to reduce prices
  - ii) improved service for distribution and marketing of goods under the Rural Development Programme
6. Increased Consumer Protection - through a combination of policy instruments including adequacy of supplies, development and enforcement of standards and continued assessment of prices.<sup>15/</sup>

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<sup>15/</sup> "Change without Chaos", Jamaica Labour Party, October 1980.

The realization of some of the objectives will depend on the country's ability to generate the investment funds required, whether from domestic savings, private or public, or from external sources in the form of loans. This in turn will depend, in the case of the former, on such factors as the growth in GDP and the rate of consumption and in the case of the latter, on the ability to formulate economically viable projects which will be sufficiently attractive and offer good return on investment.

Much will depend on Government's ability to generate public sector revenue to meet anticipated investment expenditure and to mobilize external capital inflow, as well as on the Private Sector's ability to undertake major investments.

The prospects for industrialization also hinge to a large degree on the initiatives taken to exploit the opportunities available to the country in respect of export activities, as it cannot be denied that the domestic market is limited and cannot absorb all the products flowing from intensified industrialization.

Under the various international trade agreements, there is scope for certain industrial products to be absorbed by foreign markets - the Lomé Convention, the Canada/West Indies Trade Agreement, the Caribbean Common Market Treaty, and other general schemes of preferences all afford Jamaica the opportunity for industrial development provided her exports are competitive.

## V. CONCLUSION

In this connection, it would certainly be of tremendous benefit to the industrial development process, not only of Jamaica, but of the other individual territories and the Caribbean Region as a whole, if consideration were given to the establishment of a Marketing Information System, designed to disseminate information readily, which could augment present available marketing information to developing countries.

Finally, it is possible that, with the experience of the past ten years, Jamaica could advantageously adopt an industrial development strategy which encompasses a combination of the best aspects of:

1. industrialization by export promotion which has had a good measure of success in the past (despite the adverse external influences and international crises), emphasis being placed on such commodities as bauxite, alumina, cement, etc.
2. industrialization by import substitution, maximizing the protective and incentive policies already operational in the system
3. industrialization by invitation, extreme caution being exercised by the Government to ensure adequate control of the transnational corporations and foreign-owned enterprises.

ANNEX I

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