



Doing Business In JAMAICA: A Country Commercial Guide for U.S. Companies

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Building Products (USD Million)

Overview

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	2003	2004	2005 (estimated)
Total Market Size	450	470	480
Total Local Production	125	125	125
Total Exports	5	5	5
Total Imports	330	350	360
Imports from the U.S.	120	140	150

Market information is obtained or inferred from preliminary external trade figures obtained from the Statistical Institute of Jamaica and market estimates

The Building and Construction Sector is one of the buoyant sectors of the Jamaican economy and is expected to continue to play an important role in the next few years. Major road construction projects – including Highway 2000 and the North Coast Highway are ongoing and there is a boom in hotel construction to support the growing tourism sector. There is also a surge in residential construction, including high end properties targeting non-residents, to fulfill some of the built up demand.

Best Products/Services

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Based on observed trends, good sales prospects in building and construction items for U.S. exporting firms include porcelain sinks, baths, lavatory sets, other bathroom fixtures, electric lighting, switches and other electric apparatus, certain roofing materials and tools.

Opportunities

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The market for building and construction products in Jamaica may be thought of as consisting of the following sub-sectors: Residential Construction by Developers, Residential Construction initiated by Government, Hotel Construction, Routine

Government Infrastructure Management/Maintenance and Special Government Infrastructure Projects. Considerable opportunities for imports exist in each sub-sector.

Resources

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National Housing Trust www.nht.gov.jm
National Works Agency www.nwa.gov.jm
Urban Development Corporation www.udcja.com
Ministry of Transport and Works www.mtw.gov.jm
Highway 2000 www.highway2000.com

Safety and Security Equipment (USD Million)

Overview

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	2003	2004	2005 (estimated)
Total Market Size	150	175	180
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	150	175	180
Imports from the U.S.	85	100	120

Market information is based on unofficial market estimates.

Safety and security issues have become increasingly important to Jamaicans given the growing crime rate. As a consequence, there has been a proliferation in security and security related firms, which in turn has provided a captive market for safety and security equipment. This market is expected to remain relatively buoyant until a serious dent can be made in the crime rate.

Best Prospects/Services

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A list of specific products in demand includes alarms, CCTV, gate openers, home security and door entry buzzers.

Opportunities

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Most products in the sector have to be imported. The pervasive need and broad definition of safety and security products leads to them being retailed in several different outlets ranging from small hardware establishments to larger home improvement stores. On a national level, the GOJ, like other governments in the region and the world, is increasingly vigilant about ensuring that the nation's safety and security standards are in line with the needs of the citizens as well as with international obligations.

Resources

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Ministry of Security <http://www.jis.gov.jm/security/index.asp>

Telecommunications Equipment (USD Million)

Overview

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	2003	2004	2005 (estimated)
Total Market Size	150	160	170
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	150	160	170
Imports from the U.S.	70	75	80

Market information is obtained or inferred from preliminary external trade figures obtained from the Statistical Institute of Jamaica.

Since the liberalization of Jamaica's telecommunications sector, there has been a restructuring of the market and increased demand for an ever-growing list of products and services.

Best Prospects/Services

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In recent years, top selling items include cellular telephones and related apparatus, regular telephones, telephone accessories, color televisions, transmission apparatus for telecommunications and parts for telecommunications equipment.

Opportunities

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The year 2008 could see additional capacity as new international fiber optic connectivity becomes a reality. This development will increase competition and could result in reduced telecommunications costs as well as improved efficiency. A further outcome will be accelerated demand for fiber-optic cable and related equipment used to build out and improve the telecommunications infrastructure.

Resources

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Office of Utilities Regulation www.our.org.jm

Ministry of Commerce, Science and Technology www.mct.gov.jm

Drugs/Pharmaceuticals (USD Million)

Overview

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	2003	2004	2005 (estimated)
Total Market Size	100	110	120
Total Local Production	15	15	15
Total Exports	5	5	5
Total Imports	90	100	110
Imports from the U.S.	50	50	50

Market information is obtained or inferred from preliminary external trade figures obtained from the Statistical Institute of Jamaica.

The growth in the demand for drugs and pharmaceuticals in Jamaica is driven by a variety of occurrences such as the introduction or modification of laws, trade conditions, international medical breakthroughs, lifestyle change patterns, government programs and a variety of social and domestic conditions.

Best Prospects/Services

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Best Prospects include medications for hypertension, respiratory diseases, sexually transmitted diseases and diabetes.

Opportunities

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Exporters to Jamaica will find opportunities in both the public (government) and private (commercial) sectors. The major importer of drugs and pharmaceuticals in Jamaica is Health Corporation Limited – a government company responsible for the sourcing and distribution of products primarily to the public health sector.

Resources

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Pharmaceutical Society of Jamaica www.psj.org.jm
Ministry of Health www.moh.gov.jm

Automotive Parts and Service Equipment (USD Million)

Overview

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	2003	2004	2005 (estimated)
Total Market Size	28	30	32
Total Local Production	2	2	2
Total Exports	0	0	0
Total Imports	26	28	30
Imports from the U.S.	4	5	6

Market information is obtained or inferred from preliminary external trade figures obtained from the Statistical Institute of Jamaica.

Although Jamaicans drive on the left hand side of the road, the United States remains an important source of automobiles, automobile parts and accessories. The auto parts and accessories market is, of course, closely tied to the automobile market. Prior to the mid 1990's, there were severe restrictions on importing motor vehicles. After the restrictions were lifted, the sudden liberalized environment led to a big surge in the variety and number of motor vehicles imported.

Best Prospects/Services

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Best Prospects include wheel rims, shock absorbers, clutch parts, brake parts, tires, and fancy accessories.

Opportunities

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The market for automobile parts and accessories is expanding. There is also increased vigilance by Jamaican authorities to monitor the quality of the imports coming in – this includes keeping an eye on imports from certain countries as well as the growing trend of importing used parts. There could be increased demand for high quality products approved by Jamaican Standards authorities.

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Ministry of Commerce, Science and Technology www.mct.gov.jm

Agricultural Sectors

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General information on the Jamaican retail and hotel sectors and the demand for U.S. food and beverages is available at:

<http://www.fas.usda.gov/scriptsw/attacherep/default.asp>

The major bulk commodities exported from the U.S. to Jamaica are listed below in order of market size.

Wheat (USD Million)

	2002	2003	2004
Total Market Size	21.1	26.3	30.1
Total Local Production	0	0	0
Total Exports	21.1	26.3	30.1
Total Imports	21.1	26.3	30.1
Imports from the U.S.	21.1	26.3	30.1

USDA Trade Statistics

The United States supplies the entire demand for wheat in Jamaica. U.S. wheat has an advantage in the market by virtue of the ownership of the sole wheat mill in the country by a U.S. company. Wheat flour is a major staple in the Jamaica diet. Import of wheat flour from Canada competes with U.S. imports in the fine bakery segment of the market.

Coarse Grains and Soybean Meal

Coarse Grains (USD Million)

	2002	2003	2004
Total Market Size	26.8	23.1	25.8
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	26.8	23.1	25.8
Imports from the U.S.	26.8	23.1	25.8

USDA Trade Statistic

Soybean Meal (USD Million)

	2002	2003	2004
Total Market Size	16.8	19.3	22.2
Total Local Production	0	0	0
Total Exports	0	0	0

Total Imports	16.8	19.3	22.2
Imports from the U.S.	16.8	19.3	22.2

US Trade Statistics

Imports of soybean meal and coarse grains in Jamaica are influenced by the strength of the livestock sub-sector, and particularly by the poultry industry, which has benefited from government protection and substantial retooling. Imports of these products are expected to remain strong as the poultry industry continues along its growth trajectory.

The major high-value products that are exported to Jamaica with the strongest growth potential and least market entry barriers are listed below in order of market size. Products are grouped, in some instances, according to data aggregation and market promotion compatibility.

Wines and Cheeses

Cheese (USD Million)

	2002	2003	2004
Total Market Size	28.2	28.4	30
Total Local Production	12	12	12
Total Exports	5.6	5.6	5.6
Total Imports	21.8	22.0	23.0
Imports from the U.S.	3.2	4.5	5.0

STATIN, Jamaica

Wines (USD Millions)

	2002	2003	2004
Total Market Size	5.6	7	7
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	5.6	7	7
Imports from the U.S.	1.6	2.2	2

STATIN, Jamaica

Comments: The demand for wines and specialty cheese in Jamaica is driven by the hotel and restaurants sub-sector. Consumption of wines and specialty cheese is expected to continue positive growth in the medium to long term as government policies continue to focus on the tourism sector as a central part of Jamaica's economic development model. However, the explosion in all-inclusive hotels has been shifting the demand in favor of less expensive Chilean wines. Simultaneously, Jamaican consumers and importers have historically associated French wines with a high quality status. The United States competes with Chile and France for sparkling wines and with France, Italy and Canada for other wines. Sparkling wines currently face a 30 percent CET plus a 34 percent ASD and 14.5 percent SCT. Demand for other alcoholic beverages also remains strong in the tourism market. Jamaica imports approximately 1059 thousand liters of vodka, brandy, gin, and other alcoholic beverages, valued at US\$ 4.5 million per year. Demand for cheeses in the retail sector is mostly fulfilled with cheddar from New Zealand and Austria.

Red Meats (Beef, Lamb, Goat) (USD Million)

	2002	2003	2004

Total Market Size	23.2	25.3	25.3
Total Local Production	13.0	13.0	13.0
Total Exports	1.5	2.0	2.0
Total Imports	10.2	12.3	12.3
Imports from the U.S.	2.2	2.8	2.8

STATIN, Jamaica

The U.S. accounts for 47 percent of total beef imports, less than two percent of the total imports of mutton (lamb) and none of the imports of goat meat. While beef and lamb consumption remains relatively low at the retail level, there is significant demand in the hotel/restaurant sector. Total market for imported beef, lamb and goat meat is estimated at US\$15 million. U.S. competes with specialty cuts of high-quality beef. Although goat meat has always been a principal component of local cuisine, production has historically remained low, as Jamaica is yet to develop commercial techniques and genetics that suit the domestic situation.

Temperate Fruits, Vegetables and Fruit Juices

Temperate Fruits (USD Million)

	2002	2003	2004
Total Market Size	3.4	4.4	5
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	3.4	4.4	4.6
Imports from the U.S.	2.1	2.8	3

STATIN, Jamaica

Temperate Vegetables (USD Million)

	2002	2003	2004
Total Market Size	3.0	3.5	4.0
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	3.0	2.6	2.6
Imports from the U.S.	2.2	2.0	2.0

STATIN, Jamaica

Fruit Juices (USD Million)

	2002	2003	2004
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	3.4	5.0	7.0
Total Imports	24.3	28.6	30.1
Imports from the U.S.	17.0	19.0	20.0

STATIN, Jamaica

Comments: Total importation of fruits and vegetables continues to show significant increases as demand at the hotel / restaurant and retail sectors remain high. Some temperate climate fruits (apples, pears, strawberries, plums, kiwis) and vegetables (broccoli, asparagus, spinach) will continue positive growth in the Jamaican fresh produce market. However, products such as tomatoes, carrots, cabbages, melons,

lettuce, and other fruits and vegetables that compete directly with local products will become less price competitive under the GOJ's Safeguard Act. However, these products will still have reasonable demand during the characteristic cyclical periods of shortages. Garlic, onions and other capsicums will remain competitive since local production is done on a limited scale and without the requisite market coordination.

Breakfast Cereals (USD Million)

	2002	2003	2004
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	N/A	N/A	N/A
Total Imports	11.4	13.6	15.3
Imports from the U.S.	1.6	1.7	2.7

STATIN, Jamaica

The Jamaican market for imported breakfast cereals is valued at US\$15 million. Cereals and cereal preparations account for approximately 8.8 percent of total food and beverage consumption expenditure in Jamaica. As the population becomes more health conscious, consumption of breakfast cereals and non-dairy milk substitute (such as soy milk) is expected to increase. While domestic productive capacity remains low, demand will be fulfilled with imports. Breakfast cereals are extensively advertised and positioned in the market. Breakfast cereals from Trinidad and Tobago, the major supplier, are positioned in the lower income strata on the basis of price. Higher priced U.S. cereals are prudently positioned in the less price sensitive market segments on the basis of quality.

Crackers / Cookies / Biscuits (USD Million)

	2002	2003	2004
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	0.5	0.5	0.5
Total Imports	16.4	20.0	24.0
Imports from the U.S.	6.8	7.2	10.1

STATIN, Jamaica

Comments: Under duty free entry, Trinidad and Tobago and Barbados continue to dominate exports of snack foods to Jamaica. Snack products originating outside of CARICOM attract a 20 percent CET rendering them less price competitive when compared to products of CARICOM origin. Venezuela also maintains a strong presence in this market. The market is expected to show strong growth over the short to medium term.

Pasta (USD Millions)

	2002	2003	2004
Total Market Size	N/A	N/A	N/A
Total Local Production	N/A	N/A	N/A
Total Exports	0.3	0.3	0.3
Total Imports	3.0	3.3	3.6
Imports from the U.S.	2.1	2.3	2.6

STATIN, Jamaica

Comments: Jamaica's consumption of pasta is expected to grow modestly over the longer term as the product becomes more popular in the household diet. U.S. pastas compete with imports from Costa Rica and Guatemala. Uncooked pasta attracts CET of 30 percent.

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