



The Impact of Manufacturing

An Interview with Metry Seaga,
President, Jamaica Manufacturers and Exporters Association (JMEA)

EDITORS' NOTE Metry Seaga has served on JMEA's Board of Directors since 2008. He has helped to shape and implement many of the organization's initiatives, fearlessly tackling issues impeding the industry, and promoting the manufacturing sector as the engine of economic growth. One of Seaga's most noteworthy accomplishments has been the launch of JMEA's newest initiative, the Jamaica International Exhibition (JIE) trade-show, held in June 2017. In addition to being head of JMEA, he is the Vice Chairman of JAMPROMO, was the youngest elected President of the Jamaica U-Drive Association and is Managing Director of Jamaica Fiberglass Products Ltd., a contract fabricating company. Seaga obtained his bachelor's degree in business at Florida International University in 1984.



Metry Seaga

ORGANIZATION BRIEF The Jamaica Manufacturers Association (JMA) and the Jamaica Exporters Association (JEA) merged to become the Jamaica Manufacturers and Exporters Association (jmea.org). JMA was established in 1947 as a limited liability company to promote the development of the manufacturing sector and increase its contribution to the socioeconomic welfare of the country by creating jobs and improving the standard of living for all. JEA is a non-government members association which was established in 1966 to promote and support the growth and development of the export sector. Today, the Association represents manufacturers in seven manufacturing sub-sectors as well as institutions and organizations that provide services to these sectors.

Will you discuss the history of Jamaica Manufacturers and Exporters Association and how the organization has evolved?

The JMA was an association formed 70 years ago. The JEA was an association formed 40 years ago. Both organizations did a fair amount of lobbying and provided services to its members.

We recognized that we were serving a lot of the same people and doing the same things so we decided it was best that we join forces so we'd have a bigger, better organization serving more people with a louder voice.

What are the key priorities for JMEA?

The key focus is to provide services for our members and to lobby to the government to make the necessary provisions and then put them in place so we can ensure Jamaica's manufacturing remains an industry of pride. Export is a critical component of our growth strategy and needs to be paid more attention to.

Will you discuss the critical role the manufacturing sector plays as a key driver for economic growth and is this message well understood?

No, this message is not understood well enough by the powers that be. We have a lot of talk about it, but when it comes to action, the service economy gets more attention. The truth is that the economy is not going to grow properly or, perhaps, grow at all as a services-only economy. We need the production sector and we need to value it. Because we are so big as a country, we need to have a production sector.

I had the opportunity to go to Singapore last year and they are 115th the size of Jamaica with 11 times our economy. The truth is that manufacturing contributes 20 percent to their GDP; it contributes 8 percent to ours.

The idea that we're too small to manufacture is something I call rubbish on. We simply have not added value correctly over the years. We have shipped out raw materials without adding value to them; we have shipped out coffee, we have shipped out sugarcane and sugar, and we have not added value, which is a mistake.

Is there an adequate manufacturing workforce in Jamaica and is there an interest from talented young people to enter this area?

Absolutely not. Do we need more people? Yes. Singapore has a population of three million Singaporeans but their total population is six million. They had to import part of the workforce.

Jamaicans go overseas to first world countries like England and the U.S. and they're stars in their fields. We work very hard and we are very trainable, and we have the basics down pat, certainly for an industry like manufacturing.

What do you see as the key impediments to the manufacturing industry today?

There are a few things. First of all, what we need is some concessionary interest rates. The hospitality and tourism sectors borrow money

at 4 percent interest while some of our smaller manufacturers are borrowing money at upwards of 20 percent. We need the government to step in and identify funds that can give manufacturers low interest rates.

We also need factory space that is suitable and ready for use. We have the Factory Corporation of Jamaica that has not fulfilled its mandate to provide concessionary rates for certain factory space. We're working closely with them now to get that matter addressed.

The third thing is a procurement policy, which is one that purchases on a least cost basis. We are buying more from overseas and, oftentimes, that costs us more as a country. A prime example is that, if we're going to spend \$100 to buy something from another country, \$95 of that \$100 goes to the country we're buying it from.

If we're manufacturing that same \$100 of product, 30 percent may go overseas and 70 percent stays here. Jamaica just became \$65 million poorer for buying overseas.

What is going to be the key to success in these efforts?

Success is going to be evaluated by our contribution to GDP and employment. There are three components we look at JMEA: one is contribution to GDP; two is employment; and three is taxes paid.

When we look at those three things in their entirety against other major industries, we are the leader.

Manufacturing contributes 8 percent to GDP; tourism contributes 8 percent to GDP; and agriculture contributes about 4 percent to GDP.

Manufacturing employs about 80,000 people; tourism employs about 80,000 people; but agriculture employs 250,000 people, so it is clearly the leader there.

However, in terms of paying taxes, the agriculture sector pays virtually none. We can understand that they don't pay taxes, but they employ 250,000 people that otherwise would not be able to be employed.

Manufacturing pays 21 percent of the tax roll in Jamaica. The next highest sector is banking and financial services, which also pays 21 percent. Tourism pays somewhere around 4 percent.

So, for an industry that is employing a lot of people, paying a lot of taxes, and contributing to GDP, we're not being given the quotas we should be. ●