

Remarks by
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At the
Customs Electronic Payments Launch
on 9 July 2003

**Customs E-payments launch on 9 July 2003 - suggested content for
welcome remarks**

Key Talking Points summarized

1. Introductory remarks
2. The E-payments project:
 - a. Impact, and expectations;
 - b. Work Done by the Stakeholders;
 - c. USAID assistance; and
 - d. Results to date
3. Challenges for the future - Jamaica Customs as a Trade Facilitation agency rather than a “police force”
4. Closing remarks

Introductory remarks

Mr. Chairman, Dr. the Hon. Omar Davies, Minister of Finance & Planning, Miss Alison Moore, Commissioner of Customs, Mr. Lorenzo Grant, CEO, Fiscal Services (EDP) Ltd., Mr. William Clarke, Managing Director, Bank of Nova Scotia Ja. Ltd., Mr. Hector Jones, Deputy Commissioner, Jamaica Customs, distinguished Ladies and Gentlemen....good morning!

Before I begin, I want to apologize for the absence of USAID's Mission Director, Ms. Mosina Jordan, who unfortunately not in Kingston today. She asked me to convey her regrets at not being present at today's launch.

However, I am extremely pleased to represent her here today. We at USAID have been working with a number of private and public sector partners on several initiatives to reduce business constraints and, over the last few months, have seen excellent progress being made.

I know I am preaching to the converted when I say how important it is that Jamaican companies implement measures that increase their competitiveness especially in light of increasing global competition and the anticipated free trade agreements. The streamlining of business procedures is not only

important, but it is crucial for economic survival.

The project that we are launching today is a key to this success and we at USAID are proud to be part of this effort.

The Customs E-Payment Project

Impact and Expectations

As you all know, one of the critical transactions with Government Agencies upon which the private sector depends in order to transact day-to-day business is the efficient clearance of imports. Payment of duties to Jamaica Customs prior to clearance is a critical step in the process. There are approximately 4,000 import shipments per week, which are processed by 350 licensed Brokers and commercial importers.

Prior to this project, payment of customs duties:

1. Had to be made directly to cashiers at Customs House;
2. Required Credit Cards, cash or certified cheques; and
3. Would take at least 2-3 days up to the time payment was made

The objective then, was to save significant time and effort - by enabling

payments to be made from Brokers or Importers in their offices. This would avoid the need for going to the Bank and then to a Customs Cashier - before imported goods could be cleared.

Work Done, Collaboration and Coordination:

This project was characterized by the absolute requirement for seven (7) CRITICAL stakeholders to work closely together.

There were three Government Agencies, namely:

- The Jamaica Customs Department;
- The Ministry of Finance and Planning; and
- Fiscal Services Limited.

And there were four private sector organizations:

- Scotiabank Jamaica;
- The Jamaica Customs Brokers Association - and specifically the Brokers selected to participate in the pilot program; and
- Grace Kennedy and Cable and Wireless - representing large direct importers with their own internal departments

The progress made could not be possible without these entities. I want to say a little about each one.

Fiscal Services: Fiscal Services brought to the table the electronic payment application which they had developed and internally tested. The e-payment service included a secure payment processing module, and a gateway to the payment service providers.

Scotiabank: Scotiabank Jamaica brought to the table a secure e-payment service - supported by their international service provider - First Atlantic. Scotiabank also had to certify the Fiscal Services Limited (FSL) application, based on agreed acceptance tests and internal standards.

Jamaica Customs: Jamaica Customs established procedures for the efficient handling of e-payments, and the extensive training of their staff in the required processes and procedures.

The Ministry of Finance and Planning: entered into a contract with Scotiabank for the payment services, as a major extension to the existing Credit Card arrangements

Brokers and Importers: brought faith, hope and the commitment of time required to pilot the process - and iron out all the inevitable kinks - on behalf of the 350 Customs Brokers and importers in Jamaica;

And lastly but by no means least were two key players **Grace Kennedy and Cable and Wireless** who have been with the e-payment pilot since the start and made several test transaction payments using the system.

The e-payment initiative is a perfect example of public-private sector partnership, which has created an environment that transitions towards a coherent and unified system that inevitably promotes universal access, and improved service quality. A competitive strategy is no longer an option, it is a must do, therefore it is critical that partnerships are forged to strengthen capacity and to seize opportunities that are beneficial to the overall development of Jamaica.

USAID, was asked to provide the support required to join all the dots for this project, and thanks to you all, I think we have done this. It has been a long process but it was well worth all the hard work.

Results

Let me tell you about some of the results to date. The Pilot program began the 7th of January this year with customs brokers selected from the Jamaica Customs Fast Track Group. It was completed on the 30th of April some 12 weeks later.

Customs Brokers have indicated that the end-to-end time taken to complete payment for their entries has been reduced from 2-3 days to 1-2 hours. This is a process improvement on the order of 24 times (or 500%).

I think all the parties involved deserve to be commended for their excellent work and results.

Challenges and the Future:

This does not mean that there aren't challenges ahead. As I said before, today represents another important step in the Jamaica Customs modernization project. The organization is to be congratulated for the brave and difficult decisions which have been taken - and the results in terms of the improvements we have all already seen.

There lies ahead of us yet more change to do - BUT change we can, and (I believe) change we will.

Jamaica Customs is remaking itself into an Agency that is a critical piece of the “value chain” of trade facilitation. Jamaica’s Global competitiveness and ability to attract investments, demands improvements and change.

Commerce is the life blood of any economy. And the shipping industry (including the Brokers and Customs) makes up the arteries through which this blood flows. So we must continue to change and improve service to customers - just to keep pace with the competition in Panama, Costa Rica, the Dominican Republic and our CARICOM neighbors to the south.

USAID has seen success in similar projects that it has supported in streamlining business procedures. This includes the National Land Agency to improve the land titling process; the Office of the Registrar of companies to reduce the time it takes to register a business; and our work with the banking sector to modernize procedures with one of the outcomes being the marked reduction in the time that it takes to clear checks.

Closing Remarks

In closing, I'd like to say that we are pleased to have been an agent of change in the Jamaican economy - and pleased with the hard work and efforts which have characterized the organizations involved - across both the public and private sectors. The increased co-operative inter-connection and inter-working between public and private sector enterprises - which has characterized this project - is an indication of what these sectors can do when they work together to get things done.

Thank you very much.