



## FOR IMMEDIATE RELEASE:

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### PROMOTING ACCESS TO EQUITY FINANCING TO SMES THROUGH JAMAICA STOCK EXCHANGE'S JUNIOR MARKET

The Jamaica Stock Exchange (JSE) in partnership with the Inter-American Development Bank hosted a Stakeholder Engagement Session at the Jamaica Pegasus on Thursday, March 10, 2016, under the theme **'Transformation through Conversation'**. The event sought to increase awareness among stakeholders about the planned activities and initiatives of the project, **"Promoting Access to Equity Financing to SMEs through Jamaica Stock Exchange's Junior Market"**, which is partly funded by the Inter-American Development Bank Group (IDB)/the Multilateral Investment Fund (MIF).

In her address, the General Manager of the JSE, Mrs. Marlene Street Forrest, explained that "the existing Junior Market in Jamaica has already proven to be a useful mechanism for businesses to access equity financing to expand their operations. However, the project will analyze the current framework of the Junior Market and introduce necessary adjustments in view of lessons and best practices from various parts of the world, so that the market's functionality will be consistent with the needs of Jamaican SMEs." She went further to explain that "the project will provide capacity-building for prospective SMEs so that they can comply with Junior Market requirements and implement the necessary steps to list, especially with respect to corporate governance".

The Honourable Lascelles Chin, Chairman of Lasco Affiliated Companies, delivered the Keynote Address, on **"The Journey to the Junior Market and Beyond"**, where he elaborated on the experience of listing three (3) affiliated companies on the JSE Junior Market at the same time. He stated that "the phenomenal expansion you see as you drive past our factory at White Marl can be attributed to the Junior Market. That state of the art factory stands as a tribute to LASCO's listing on the JSE and the faith of the Jamaican people in LASCO." Mr. Chin encouraged prospective SMEs to use the growth and improved performance of Lasco Group of company as a testament of the benefits of listing on the Junior Market.

The MIF Senior Specialist, Mr. Wayne Beecher, brought remarks on behalf on the Inter-American Development Bank. Mr. Beecher explained that, in 2014 when the MIF approved a technical assistance project for the JSE, Jamaica though showing signs of early stabilization, had no clear path for economic recovery and growth. He expounded that "the hypothesis supporting the JSE's Junior Market was that 'high impact entrepreneurs' given access to appropriate financing options would invest in the expansion of their business, resulting in increased employment and subsequently impact the growth of the economy". He stated that although the project was in its early days yet, the returns have been impressive. This was in direct reference to the successes of JSE, which Bloomberg acknowledged as the best performing Exchange in the World for 2015. He also mentioned that this overall growth of the Exchange which was supported by a 160% growth in the Junior Market Index, was the particular focus of the IDB/MIF's investment, should be commended.

The project which ends in 2017 is expected to improve the growth of the number of Junior Market listings from the current 25 to 47 firms. The JSE has started the provision of Capacity Building Support to a number of prospective listing companies to comply with Junior Market requirements and to implement the necessary steps to list. The assistance includes the review and preparation of business plans and financial statements; and the instituting corporate governance framework for Small & Medium Sized Businesses.

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