

12th Regional Conference on Investments & the Capital Markets

**Theme: Regional Investment Horizon: Our Options & Future
The Jamaica Pegasus Hotel
On January 24, 2017**

Master of Ceremonies;

Prime Minister of Jamaica, the Most Hon. Andrew Holness;

Chairman of the JSE, Mr. Ian McNaughton & Mrs. McNaughton;

Members of the Cabinet;

Members of Parliament;

Members of the Diplomatic Corps;

Board Members of the JSE and JCSD;

Other members of the JSE team

Visiting Regional regulators; members of our sister exchanges and depositories of the Caribbean and global exchanges;

Members of the Media;

Other visitors, presenters, moderators, specially invited guests;

Distinguished Ladies and Gentlemen all...

Good evening. The Jamaica Stock Exchange is pleased and honoured to once again host this premier regional investment event in collaboration with our lead sponsors: Jefferies, TVJ and The Jamaica Observer, along with our other sponsors... all of whom have continued to consistently support us over the years.

It is my pleasure to also specially recognize the NCB Group, which has come on board as our leading local sponsor.

Now in its twelfth year, the Regional Conference on Investments & the Capital Markets has become a staple on the menu of financial events for all our stakeholders. It is strategically placed at the beginning of the year, to provide the industry with a forum for healthy reflection and effective forecasting.

We have consistently held fast to our conference objectives and are again resolved to ensure that we meet our stated goals which are to:

- Bring together key participants of the financial services industry to discuss and present ideas on issues pertinent to the development of the capital market;
- Facilitate a forum for the development of strategies necessary for the future growth of the sector in the region;
- Assist in the creation of partnerships and improve understanding between financial institutions to allow for the generation of investment opportunities;
- Provide a showcase for industry trends, products and services; and
- Create an awareness of the importance of the capital market to the economic development and prosperity of the region, and to build social and strategic alliances.

This year's Conference theme focuses on "Global Investment Horizon: Our Options and Our Future". This theme recognizes that regionally we are a part of an evolving global village with interconnected markets which, although providing its own challenges, gives us viable financial

options to improve our future. Our theme also, of course, speaks to the various available local financial instruments and how we must bring diversity and expand on the product offerings to our clients to ensure a viable future. Our conference contemplates that there are indeed new frontiers to conquer, even as we continue to contend with the economic challenges that face our region.

Operating within the capital markets and understanding the importance of equity capital as well as other capital to fuel growth, we believe we have a responsibility to showcase trends, products and services that will drive the growth that has so often eluded us as countries within the region.

Even as we convene this conference, we are mindful that 2017 is what may be considered as a watershed year for the world. It is the year where players in the market are not quite sure of what to expect in the financial arena. The USA has just installed a new President who has announced some bold plans for change and the UK is preparing to exit from the European Union. While the globe waits to react to these unfolding global events we in this space are patently aware that whatever changes are on the horizon for these two significant world players, who are also our largest trading partners, will impact our small and still fairly fragile economies.

We are operating in a world of both positive and negative dynamics that will be expected to give rise to volatility in world markets and increase investors' anxiety. Therefore within the capital markets we expect that there will be a greater demand for products and services that fit investors' risk appetite in these times. We must explore these issues over the two days of conference, appreciating the fact that investors are no longer constrained by geographic boundaries but will utilize the same technology that we are utilizing to encourage inflow to our markets, to migrate funds to other markets where there are more options that are not concentrated on only local securities such as government bonds or even local equities. For our local investment markets to grow we must examine the best methods, products and services for future wealth creation irrespective of their origination. Our future, we believe, is one in which we have a global outlook and continuously look to embrace more and more diverse products and services.

As regional stock exchanges and capital market participants we must look at charting a future which includes examining and possibly introducing block chain technology and embracing other innovative vehicles geared at energizing young businesses, through the leveraging of venture capital and crowd-funding portals, to name a few. If we do not claim our space in providing these services with alacrity then that which is vacant will be claimed, because as we know, nature abhors a vacuum. We will have some sessions on these areas in this year's conference.

We believe that the current traditional and protectionist approach to defending our regional currencies, while having some merit, should be executed with an understanding of how the larger growth agenda will play out against the background of truly mobile funds looking for a home in the global capital market. It is our view that it is only through rigorous analysis that we can appreciate the net gain or loss of not embracing a global and inclusive programme.

Technology is driving the pace of development globally and it is also providing us greater opportunities for capital markets transparency. We must accordingly develop the services and products that will transparently drive the future prosperity of our investors and countries. Our options are clear. We need mechanisms that will ensure market confidence and to this end we must speak more loudly about the inclusion specifically of products, such as a diaspora bond for regional development, depository receipts, ETFs and other Fixed Income products for the retail industry and we must trumpet how our stock markets can be used to increase transparency, stability and longevity and wealth creation. We are pleased to say we will have some announcements for you in this area during the Conference.

Each year we speak about the transparent necessity for privatization, urban renewal, more equitable income distribution, regional food security through agriculture and harnessing regional natural resources to counter the impact of global warming. And each year we have setbacks,

usually because we are constrained by either the lack of capital or the lack of imagination. The question is: how do we develop the products to finance these deliverables and manage them in parallel streams rather than as consecutive processes? As countries around the region that are impatient for results, we cannot afford to have one lonely ball in the air at a time. We must become master jugglers.

Therefore we have no option but to train a viable workforce to accomplish the myriad of tasks associated with future growth, as our answer cannot be left in the hands of the few we consider ‘bright’ and resourceful. The access to flexible training-on-the-go will be important as we seek to build competencies among working adults. I am pleased to announce that we have just been approved by the FSC to offer our online securities trading course to our dealers and others wishing to avail themselves of this training. This complements other courses offered by our JSE e-Campus, which offers as its flagship course an accredited post-graduate diploma in financial services management.

From a global perspective our capital markets are small and our regional exchanges are considered tiny, hence within our future plans we must look to consolidate our efforts regionally and embrace global partnerships. I wish to recognize Ungad Chadda, TSX Group President –Capital Formation, Equity Capital Markets who we believe will be a future partner of the regional exchanges. We intend to increase the cross

listing of securities in a circular flow and even to establish a new market of Canadian securities.

Finally ladies and gentlemen, there is so much that we need to do within the capital market to combat the lack of hope in so many of our people, as was clearly pronounced on the front page of last Sunday's *Observer* which said 'Jamaicans invest heavily in quest to reach the world's most popular country – Billion \$ US Visa Spend'. Similar stories abound across the region, as many Caribbean citizens become economic migrants, reluctantly pursuing financial success in more developed countries, leaving their hearts at home and splintering our families. We believe the solutions lie within us.

This year's Conference is (as usual) chock-full of substantial, high-profile speakers who will discuss thought provoking issues and present participants with a raft of meaningful ideas and information. We have always striven to ensure that this conference is not a 'talk-shop' and so the impressive slate of speakers will explore topics, and present practical and workable solutions for business leaders and all others attending the event.

We will examine issues such as leadership and governance, investor confidence, regulations, new financial products and services and the key winning industries within our region. The Venture Capital Pitch Room

will be open on Wednesday and on Thursday morning CEOs will meet the press to discuss their companies' outlook for 2017 and beyond.

Keynote speakers include: Jamaican Government Ministers, Hon. Audley Shaw, Minister of Finance & the Public Service and the Hon. Edmund Bartlett, Minister of Tourism as well as the leader of the Opposition, Hon Portia Simpson Miller and the Hon. Michael Lee Chin, head of the Economic Growth Council and Chairman of National Commercial Bank.

Over the next two days let us explore how as a region we can together tackle the challenges and reap the regional and global opportunities. The sessions will prove to be educational and informative. I urge you to make the best use of your participation by asking questions and clarifying any issues from our panel of experts and industry leaders. And of course we wish to see you at the various net-working sessions, as the development of lasting relationships is fundamental in everything that we do. I encourage you to enjoy the Conference and all that it offers.

Thank you.

Marlene Street Forrest
January 24, 2017