



Taking Stock: Obstacles and Opportunities

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(Conference Overview)

Good evening and welcome to another staging of the JSE Regional Conference on Investment and the Capital Markets. The Jamaica Stock Exchange is pleased and honoured to once again host this premier regional investment event in collaboration with our international and local lead sponsors: Jefferies; NCB Group Ltd; The Jamaica Observer and TVJ along with other sponsors all of whom have continued to consistently support us.

Now in its thirteenth year, the Regional Conference on Investments & the Capital Markets has become a staple on the menu of financial events for all our stakeholders. We feel honoured that through your support we have made it into our teen years. Thank you. We continue to strategically place the conference at the beginning of the year, to provide the industry with a forum for healthy reflection and cautious forecasting.

We have held fast to our conference objectives and we are 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 ***“Driving Growth: Regional Investments for the Climate of Change.”*** The theme recognizes that regionally we are a part of an evolving global market, which is rapidly changing to such an extent that we hardly recognize it. However, it is imperative that we must embrace it or at the very least understand the changes.

While contextually the region's actions, which have affected the changing climatic conditions, have been small relative to many other regions, the impact has significantly affected us both physically and financially. The effects have been far reaching on our regional economies and as such we must seek to understand and control and even benefit from the disruptions within our borders. Many of these changes are within the financial and investments boundaries and affect us personally and our country and region collectively. There is a familiar proverb that says, *'it is an ill wind that blows nobody any good'*, which, simply means that an action or occurrence must be so bad that no one can benefit.

We believe as the climatic conditions, whether natural or man-made change, we in the regional capital markets must get caught-up and be quick to respond to the related changes within the financial sector. We understand and appreciate that while many of the changes may have a disruptive effect on the landscape, as we know it, opportunities have opened up and presented themselves so that we can be uniquely placed as market makers or trailblazers. It is indeed, because we need to forge ahead with great speed that we believe our conference is important as we seek to forge greater alliances with our region, tap into, and collaborate with our global partners in an effort to withstand and conquer the changing economic climate.

I want to touch on the subject of the climate of change. A recent IFC report stated that nearly all greenhouse gas emissions is expected to come from developing countries due to rapidly growing and developing economies. On the other hand, developing countries also account for about two-thirds of global infrastructure investments. Here we see obstacles and opportunities and the question we must answer is how we as a region can tap, through the capital markets into the opportunities to advance growth for our citizens. Within the context of the climate of change, there are opportunities to ramp up climate investments, through direct equity investments, a mix of loan and other private capital and venture capital that can exit through our well-functioning and regulated stock markets within the region.

By 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 highlight trends, products and services that are critical to changing climatic conditions and that will drive the growth that has so often eluded us.

Even as we convene this conference, we are mindful of the fact that 2017 can be considered a year of disruption and that this is expected to continue into 2018. It is the year when market-watchers while operating in the norm, are not quite sure of what to expect in the financial arena. While we still watch how the Brexit decision will play out across the

world, we are also consumed with events in the USA, which is a major world player and wonder how it could affect the Caribbean.

We are also very much aware that climatic conditions will require training in new technology, new product designs and more attention to efficient use of technology. Implicit in these issues are obstacles and opportunities. Obstacles that can be overcome through the innovative use of the capital markets. The possibilities exist that as a region we can create a market on the stock exchanges for Green House Bonds thereby aligning our priorities with our funding. We must respond by providing good and innovative products and services aimed at not only developing market participants within the region but globally as well.

We are operating in a dynamic world and our regional capital markets are expected to compete both locally and globally. We have on our individual islands many social issues and our financial sector, while not presenting itself as a panacea can co-partner with governments and other agencies to lead to way in addressing some of the issues that beset us.

Well-structured public-private partnerships can ensure that as a region, we tap into the expertise, efficiency and funding of the private sector. The latter is important, as the access to capital, coupled with innovation and technology are the key components to spur development and sustainable economies. The government can also continue to play its role

in providing flexible market based support through policies and programmes to support a levelling of the playing field and an opening up of the countries to embrace global markets.

Within the context of the climate of change, during the conference, we will explore how the private sector and the government can work together to create resilience in the capital markets. The spotlight will be on how we can mobilize financial resources and technical capabilities, engage critical society and community efforts, develop innovative climate products, services, and adaptation technologies. We will explore how we will engage and enable our regional investors to take advantage of our natural resources by looking at our plant-based sector and how we can create more employment by using technology.

As we seek to grow the region through local investments, we are aware that we must mobilize funding from the international capital markets as well. We will look at different approaches to attract and maintain global focus and this year we are indeed pleased to have a large contingent from Canada. We have benefitted over the years from the relationships we have forged and we hope to rev this up by active and reciprocal participation in both markets. Through this approach, the regional markets expect that we will reduce our vulnerability to ‘climate change’.

We expect that over the two days of conference, we will come closer to designing policies and programmes aimed at improving financial market efficiencies, which should result in the expansion of the availability and affordability of financial services and the ease of access to capital.

As regional stock exchanges and capital markets participants and operatives, we must look at charting a future, which includes introducing products such as Options and Futures to the markets, examining the block chain technology. We must seek to claim our space in providing these services with alacrity, as we know *“that which is vacant will be claimed.”*

Our future is uncertain if we fail to act. We must recognize the wind of change and quickly move to benefit from the opportunities that are blowing in the wind. It will take teamwork and hard work and the willingness to strike a balance between regulation and innovation.

So, let us as presenters and participants explore how as a region we can tackle together the challenges and reap from 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 experts and industry leaders. And of course finally, we wish to see you at the various net-working sessions, as the development of human capital and relationships is paramount.

Again, welcome and enjoy the rest of the evening's proceedings.

Marlene Street Forrest

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