



## **Marshalling Regional Creativity & Innovation for Growth**

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"You will either step forward into growth or you will step back into safety."  
Abraham Maslow, Psychologist and Creator of Maslow's Hierarchy of Needs.

Good evening ladies and gentlemen, let me also welcome you to the Jamaica Stock Exchange Investments and Capital Markets Conference. As you already know, this year's conference is being held under the theme "Driving Growth: Regional Investments for the Climate of change"

In our quest to unlock growth in 'the climate of change' it is crucial that we establish the relationship between two very important concepts, **creativity** and **innovation**; and how the ideal mix of the two achieves growth.

So then, what is the relationship between the two? Creativity and innovation, often mistaken to mean the same thing, are actually two very distinct concepts.

Creativity is defined as the ability to conceptualize unique ideas, or to recognize connections between random or unrelated things.

Innovation on the other hand is the process that transforms these unique and creative ideas into new realities that deliver greater value. It represents a way forward, and a fresh way of doing. It is the pooling together of these ideas to achieve the ultimate goal, growth.

It is impossible to develop an innovative financial system and unlock growth, if key stakeholders do not recognize and nurture creative thinking, and adapt to this

constantly changing landscape that is the 'climate of change'. The creative instinct is key in taking advantage of constantly evolving technologies and keeping pace with the growing expectations of all stakeholders: customers; individual and institutional investors, including governments.

It is when we understand the relationship between creativity and innovation, and hone creative talents in the right direction, that we can unlock real growth within the region.

Why are innovation and creativity important and where does it begin?

I believe, ladies and gentlemen, that creativity and innovation begin with customer centricity. After all, it is the needs and appetites of the various users – individuals and institutions, that help to create this climate of change.

Customers' expectations for seamless delivery and quality from listed companies will increase; likewise, the expectations investors have of financial intermediaries, and the products they offer. Over the coming years, customers, and investors will be more diverse and demand more information and transparency, putting pressure on all industry players to innovate, and address investor needs in a broader fashion.

Listed companies, for example would benefit from using creative means inside their organizations to augment existing products/ product lines, and reduce costs, to stay ahead of their industry peers and remain viable options for investors. We've seen time and time again, where being innovative yields returns that stand out, and attracts investors.

For financial institutions, creativity and innovation could mean investing in talent that enhances the portfolio management process as the appetite for managed products grows. It could also mean, in the not-too-distant future, creating additional revenue streams to replace those eroded by technological advancements like blockchain technology and crypto currency, for instance. Yes, though this technology carries benefits such as efficiency and lower costs to the user, it comes with what could be significant implications for financial intermediaries around the world.

The Jamaica Stock Exchange too has its own role to play meeting the expectations of stakeholders, as our principal mandate is the mobilization of capital to facilitate

the growth and development of companies, and by extension the economy. Our mandate to a large extent also includes providing an avenue for those desirous of adding value to the economy through the creation of small and medium firms. According to the Ministry of Industry and Commerce, Medium, Small and Micro Enterprises, or MSMEs, account for 90% of jobs in the Jamaican economy. The Caribbean average according to a 2016 Caribbean Development Bank report is around 50%. Initiatives led by government and private sector partnership must be aimed at unlocking the growth potential of this sector, as it is a significant contributor to income generation, and the reduction of poverty.

I pause here for a little bit to mention the hugely successful Junior Market. This initiative was introduced to encourage MSMEs to take advantage of the capital markets for the financing requirements. What we sometimes forget is the governance requirements of being on the exchange. These requirements ensure that these MSMEs are properly managed which in turn augurs well for the sustainability of the many jobs created in the Jamaican economy. It took Creativity and Innovation.

Research over the years has contributed to our understanding of investor behaviour and how financial markets function; and motivates us to develop new products, financial instruments and markets even as Jamaica faces the reality of being referred to as a third world nation, and the challenges that come with said reality.

Financial markets globally are undergoing significant change. The improvements in and growing access to technology in different countries have made investing significantly different from what it was years ago, and the region is no exception. Additionally, developing countries such as Jamaica and others within the region have become more attractive investment targets as they keep up with this growing pace.

Investing in creative talents however, takes real courage. Leaders in all capacities must be brave enough to foster a culture that unlocks creativity and breeds innovation. If this culture is allowed to facilitate a continuous learning environment inside each and every organization, the economy, and by extension the broader Caribbean region will stand to benefit. In the face of significant risks, well managed ventures can allow stakeholders to reap significant rewards.

We at the Jamaica Stock Exchange have embraced the international arena as our region. We have harnessed the creativity of the Board and management and have been able to by virtue of our excellent governance structure and processes been found suitable to partner with the Canadian Depository for Securities (CDS). This is the Canadian settlement platform and will enable listed Jamaican companies to be facilitated on the TSX and the CSE and listed Canadian companies to be listed on the JSE. This will widen the scope for local investors both individual and institutional while also allowing those in the Diaspora the opportunity to participate in the many growth opportunities that abound.

**This ladies and gentlemen is CREATIVITY, it is INNOVATION... GROWTH and DEVEOPMENT is the consequence.**

In concluding ladies and gentlemen, I leave you with these final words...a call to action if you will.

Today's unpredictable business climate should challenge us to grow our businesses using different means. The financial services industry will be different playing field over the next couple of years. In order for the region to not be left behind, players must keep innovating and developing out-of-box solutions to keep the region on par with the rest of the world.

Customers' expectations for seamless delivery and quality will increase and they will be more diverse and demand more to meet their changing needs.

Technology continues to drive innovation, and will create new, exciting options for investors, greater efficiencies, and ways to interact with customers at all levels. The region over the coming years will have a more diverse financial system that seeks to manage the finances of individuals and institutions, and the economy will have more sustainability and profitable opportunities.

Growth and Development is the consequence.

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