Several years ago, the Caribbean began to emerge as a sensible and low cost alternative to outsourcing to Asia or India (especially when a smaller number of agents were required) and countries such as Jamaica, Costa Rica and the Dominican Republic began to emerge as top location choices. These countries have recognized that they are greatly in need of attracting jobs in an effort to retain their knowledge based workforces. Jamaica, as an example, recognized that the BPO industry provides a chance to eradicate poverty and increase the country’s standard of living.

The Honorable Karl Samuda, Minister of Industry, Investment and Commerce, is aggressively seeking BPO and ICT companies to bring jobs to Jamaica and is working with the community colleges, the national investment promotion agency, Jamaica Trade and Invest (JTI/Jampro) and local developers to make plug and play real estate opportunities available. Jampro previously speculated that a need to reduce costs in the U.S. could see more call center jobs being outsourced to Jamaica where costs are significantly lower. Jamaica has also attracted interest from Indian-based companies seeking to establish centers here that can benefit from the island's near shore location and closer cultural affinity with the U.S.

Jamaica is the 3rd largest Caribbean island with a population of 2.7 million and an English-speaking labor force of 1.29 million. Its close proximity to Miami (one hour) and New York (3 hours) in the Eastern Time zone makes it extremely accessible. What becomes obvious after any tour of Jamaica is that the dedication and work ethic of Jamaicans far surpasses many other countries – the workforce is polished and professional with excellent communication skills.

The National Training Agency, HEART, currently has 28 training institutions on the island, all of which are government funded and operated and geared toward employer-specific training. With improved focus now being placed on ICT, new training programs will be developed specifically to support this industry.

"We are optimistic that Jamaica will continue to expand as a near shore location servicing the USA. There have been significant improvements to infrastructure in the country to make this expansion to more inbound call applications viable" said Alliance One SVP, Roy Buchholz, in a press release March 2009. "Of course there is always potential for Jamaica to increasingly progress its service capabilities to include advanced and complex business process outsourcing (BPO) specialty services. This potential is directly dependent on the availability of a highly trained and skilled labor force at competitive costs and sufficient scale."

While Jamaica does not have much in the way of grants, cash or incentives to offer prospective users, the Urban Renewal Act and Factory Incentives Act offer some attractive tax-free benefits. The call center industry has
additional Freezone benefits including no restriction on repatriation of foreign exchange, Income Tax exemption on profits in perpetuity, import duty exemption on capital equipment and employee training benefits from HEART. These take the form of performance linked retroactive payroll tax credits or cash grants.

CALL CENTRES IN JAMAICA

Jamaica’s sourced services industry directly employs over 13,000 persons - 10,000 in the 28 local and multinational companies offering offshore services and 3,000 in onshore services. The heart of the industry is in Montego Bay; but there are also ICT centers in the capital Kingston and Portmore, the English-speaking Caribbean’s largest middle-income dormitory city (400,000 residents).

Jamaica’s largest call center players are:

**Affiliated Computer Services (ACS) – now Xerox**: The largest center, e-Services, with four centers on the island, was acquired in early 2009 by Affiliated Computer Services (ACS), which was in turn, acquired by Xerox in mid 2009. This now means that Xerox will account for approximately 60% of Jamaica’s center agent population, which certainly must be of concern, both to Xerox and to Jamaica.

**Alliance One**: U.S. call center company, AllianceOne, expanded its Jamaican operations in March 2009. Owned by Teleperformance of France, the world’s largest call center outsourcing company, AllianceOne employs 772 with the capacity to accommodate a total of 2,000 at its location in the Montego Bay Freezone. AllianceOne began operating its Jamaican call centre in 1999.

**West Corporation** - West has approximately 425 employees in Jamaica in the Portmore Informatics Park providing inbound and outbound services.

**National Asset Recovery Services (NARS)** – NARS is a St. Louis based company providing customer acquisition, activation, service, retention and recover. In Jamaica, NARS provides account receivable management services and collection services with approximately 500 agents.

**Vista Print** services over 8 million customers per year, through 1,700 employees globally. In Jamaica, VistaPrint has 400 employees, 20% of which have at least an Associate degree. The workforce also includes employees with advanced skills in graphic design and copywriting. Its entire management team is Jamaican.

LABOR MARKET

Jamaica boasts an impressive English-speaking labor pool with a clear familiar accent and strong cultural affinity to the US. Productivity is high and attrition rates are low, averaging about 13% annually. The island’s 3 largest universities turn out thousands of tertiary graduates annually. Currently 8.3% (103,000) of the workforce is university educated and 30.5% are high school graduates.

Human Employment and Resource Training (HEART) Trust, established in 1982, provides training both in the workplace (Enterprise-Based), as well as through their 28 formal technical vocational and education training (TVET) institutions and over 120 TVET special programmes (Institution Based). Annual certification now exceeds 60,000 persons.
Call Centre Wages:

Wages in Jamaica for call center employees are approximately 40-60% lower than in the U.S. Consistent and rapid devaluation of the Jamaica dollar against the US dollar (despite international recession) has resulted in wage deflation for U.S. investors. This results in daily savings for U.S. companies especially on recurring fixed payroll expenses. The estimated average wage (gross, pre-tax and with benefits) is:

<table>
<thead>
<tr>
<th>Unilingual Pay Rates</th>
<th>Average Hourly Pay</th>
<th>Average Annual Pay</th>
<th>Average Hourly Benefits</th>
<th>Average Annual Benefits</th>
<th>Avg Other Mandatory Employee Costs</th>
<th>Total Avg Annual Employee Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry-Level Customer Service Rep</td>
<td>$1.85</td>
<td>$3,856.78</td>
<td>$1.20</td>
<td>$2,484.44</td>
<td>$922.22</td>
<td>$7,263.45</td>
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<tr>
<td>2 - 5 yrs Customer Service Rep</td>
<td>$3.38</td>
<td>$7,038.95</td>
<td>$1.45</td>
<td>$3,006.18</td>
<td>$1,115.89</td>
<td>$11,161.02</td>
</tr>
<tr>
<td>Team Leader/Team Supervisor</td>
<td>$4.70</td>
<td>$9,770.92</td>
<td>$1.45</td>
<td>$3,006.18</td>
<td>$1,115.89</td>
<td>$13,892.98</td>
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<tr>
<td>Trainers</td>
<td>$5.13</td>
<td>$10,670.40</td>
<td>$1.45</td>
<td>$3,006.18</td>
<td>$1,115.89</td>
<td>$14,792.47</td>
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<tr>
<td>Call Centre Manager</td>
<td>$11.00</td>
<td>$22,880.00</td>
<td>$1.76</td>
<td>$3,651.32</td>
<td>$1,316.14</td>
<td>$27,847.47</td>
</tr>
</tbody>
</table>

TELECOM

Jamaica does have an excellent telecommunications infrastructure. The Fibralink submarine cable network provides enhanced delivery of business and broadband traffic. Jamaica is linked to the Americas Region Caribbean Ring System (ARCOS-1) submarine cable in the Dominican Republic; the link to ARCOS-1 provides seamless connectivity to US, parts of the Caribbean, Central America, and South America. There are two major broadband carriers which provide double redundancy.

The liberalization of Jamaica’s telecom industry in 2000 paved the way for more competitive rates in telecom costs. Today there are two major providers of landline services; Cable & Wireless (Lime) and Columbus Communications (Flow) and both offer competitive telecom rates ranging from US$ 4,500 upwards for T1 lines and US$ 35k for DS3 lines. There are 3 Providers of Mobile Services: Lime (C&W), Digicel and Claro, with Claro and Lime offering 3G services.

Cable & Wireless is Jamaica’s full service telecommunication provider offering mobile, broadband and fixed line services for both residential and commercial with island-wide coverage. They have over 120 years of experience in Jamaica.

Flow provides a clear channel, point to point communication between Jamaica and the NAP of the Americas and provides a world class facility for collocation needs. Columbus Network, parent company of Flow, has completed cable installation on the first phase of an undersea fiber optic express route that connects Colombia with Florida.

Digicel (Mobile) launched their GSM mobile service in Jamaica in 2001 breaking a 12 year monopoly held by C&W. Digicel has since surpassed its major competitor as the mobile provider of choice with a customer base of approximately 2 million, and currently commands approximately 75% of the mobile market share in Jamaica.
REAL ESTATE

One disadvantage of locating in Jamaica in the past has been the historically tight real estate market which has been of concern for call center operators who typically need to be in business quickly. Candidly, Jamaica has a need for more ICT-suitable real estate production space. In an effort to remedy this, Investment Minister, Karl Samuda, through JTI/Jampro, has been pursuing developers to come to Jamaica and create free standing or mixed use developments. Mr. Dilip Barot, chairman of The Info City in India, is one such developer and he is currently working on an alliance with Jamaica’s Investment arm to construct a mixed use development complex designed to attract BPO companies.

Current Real Estate options include:

- **Portmore Free Zone**: Portmore Informatics Park is a 13.5-acre complex, 10 minutes from capital Kingston, with good access to trans-shipment and airport. The Factories Corporation of Jamaica is breaking ground on a 21 acre Technology Park in Portmore in early 2010.

- **Montego Bay Free Zone** is the heart of Jamaica’s Offshore Call Center Industry with over 1,000,000 sq ft. of production and office space. This constitutes a mix of older structures (repurposed factories) and newer models - two story buildings each with gross space capacity of 106,000 sq. ft.

- **The Barnett Tech Park** is a concept for a private sector ICT Free Zone located on 100 acres in Montego Bay. The project has the potential to create approximately 3,000,000 sq. ft. of production and office space.