

# Thinking outside the box

## INTERVIEW WITH JAMES MOSS-SOLOMON

PRESIDENT, CARIBBEAN ASSOCIATION OF INDUSTRY AND COMMERCE (CAIC)



JAMES MOSS-SOLOMON joined GraceKennedy as a management trainee in 1971. He has held a number of senior management positions within the Group, and was appointed Director of Corporate Affairs in 1998. He has contributed much to the development of the Jamaican business community through his membership of the Jamaican Chamber of Commerce, where he served as President for two consecutive terms. A talented musician and sportsman, he represented Jamaica at the Commonwealth Games and the Central America and Caribbean Games in swimming and water polo. He continues to play with his band, 50/50, and is proficient on the keyboards, guitar and bass.

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**It is a little over a year since the Caribbean single market (CSM) came into effect. How satisfied has the private sector been with the results so far and where do you see areas for improvement at this stage?**

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From my perspective as President of the Caribbean Association of Industry and Commerce (CAIC), our membership has been very pleased with what has happened. It had been in the pipeline for so long that people had been able to ignore it because it seemed as if we couldn't see the end of the pipeline. The signing of the agreement last year brought the whole thing sharply into focus and brought that chapter of saying 'avoid it' to a close. Since then we have been able to move forward a lot, and businesses that were previously not very interested in moving ahead with their plans have now done so.

Up until now, a number of companies had been experiencing a certain tentativeness or timidity in terms of their response to CSM, but I think that's gradually being dissipated as news of the new arrangements comes out and new opportunities present themselves. I think a lot of people had previously seen protectionism as a way of life. Within a global environment that perspective is changing and I think that the opportunities that present themselves to the Caribbean are now being more widely understood.

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**Do you feel that there has been a mental shift across the board or are certain countries and certain types of companies embracing it more than others?**

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There has been a mixed reaction, although I believe that generally the move has been a good one. Some countries have expressed their reservations, while others are very positive. Trinidad, as always, is bullish, as is Jamaica. I think that a lot of the people who may be tentative now have simply not realised their own strengths and have formed an opinion which has been based on an uninformed look at the future. Many of us have been worrying about sugar, bananas – problems that have been confronting us for some time. But CSM has many positive sides to it and we're only beginning to see some of those positives. I have recommended, for example, that we re-name certain industries, because sometimes an industry connotes a particular way of behaviour. Take sugar for example. Historically, the sugar industry here in the Caribbean has consisted of selling a bulk commodity to the UK market. Nowadays, there's an alternative view;

it means ethanol, it means alternative fuel generation, it means more rum production. A number of alternatives are now presenting themselves.

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**Is it simply a question of confidence that is holding some of these companies back, or is it more a lack of strategic vision?**

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I think it is a case of the strategic vision which historically may have been thrust on us, whereas now we are responsible for determining our own destiny, which is a very positive view as far as I'm concerned. It's something that we should have been doing a long time ago but because of governance issues over the last few centuries, and even into independence, I think we have relied on government to say what our strategy should be. Many businesses are only now getting to grips with a world which has been vastly expanded by technology, and that old attitude of waiting on the government to take the lead is gradually receding.

I believe strongly that politics follows a lead by business, not the other way around, and Caribbean businesses are now exhibiting interest in being able to expand, people and employees are exhibiting an interest in being able to move more freely within the region, and I think that governments will, out of enlightened self-interest facilitate that happening.

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**What kind of lead are you looking for from governments in the region, if any?**

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Well, one of the things we are looking for is for governments to do less in terms of differentiation. We would like to see governments heading more toward unification, rather than the interim step of harmonisation, certainly in so much as it affects business law and the various legal aspects pertaining to business. For example, we would like to have one Stock Exchange with one set of rules rather than four separate Stock Exchanges with slightly differing, although somewhat harmonised systems. Harmonisation doesn't take cost out of business – unification does.

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**How do you see the outlook for the region's capital markets?**

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There is no outlook for the capital markets unless we get the merger going. The global environment that we are involved in presents investment opportunities which have grown a hundredfold in the last ten

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years, so that a company that was agonising over an investment decision of a million dollars ten years ago is presented with opportunities which could be worth from a hundred million to a billion US dollars. We can't raise that kind of money on four separate Stock Exchanges.

We need to have the ability to take advantage of the new opportunities that present themselves to the Caribbean. Building a sugar factory that grinds sugar cane into bulk sugar is a different level of investment to setting up an ethanol plant, for example. The scope of our activities has been broadened and the scope of possibilities for investment for Caribbean firms has gone up by a significant jump, and we need to have an efficient Stock Exchange in order to be able to raise that kind of money. Failing that, companies in the Caribbean who are presented with these large-scale ventures will have to go outside the region to raise the capital, which is not our first choice.

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**How significant is Sagicor's recent listing on the London Stock Exchange? Do you expect further Caribbean companies to follow suit?**

I would expect them to follow suit unless something happens with our local exchanges to provide them with the confidence that they require in order to fulfil their own aspirations. I think that Sagicor's listing is to be congratulated because it sends a very strong message to the market, namely that there is a world of investment opportunities out there which far surpass anything that we've been thinking about for the past ten years, and unless we get together we will not be able to raise the funds we need to take advantage of them.

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**Do you think that Caribbean companies have sufficient scale to compete on the world stage?**

Yes, because competing on the world stage is all about ideas. The world stage is not necessarily confined to those who have already built large corporations. A perfect example is that thirty years ago Bill Gates was a guy in a garage and there wasn't such a firm as Microsoft. Today it's the largest company in the world. That sets an example which many of us can follow, because Bill Gates got where he is today through the power of his mind, and we're not deficient in that respect here in the Caribbean.

Modern technology and communications have offered us a place in the world which we couldn't have occupied before and we need to embrace that opportunity.

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**Do you feel the Caribbean is sufficiently unified in its approach to regional integration, both from a political and business perspective?**

I can't speak for our governments, because the governments do not trade. The companies, yes; the

CAIC and other groupings within the Caribbean have been sending this message for some time. We need to get together in order to have the scale to enter markets that we have not traditionally been in before, to broaden our perspectives. Let us not talk about EPAs (Economic Partnership Agreements) with the European Community and think purely about London or places in England where we have a high concentration of people from the Caribbean. When we are thinking about an EPA negotiation we should be thinking about Germany, Belgium and Europe as a whole, rather than simply focusing on pockets of the Caribbean diaspora.

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**Are CARICOM companies doing enough to seize opportunities in Latin America?**

No. I don't think that we have combined the natural skills and advantages which exist across the region. Trade flourishes in a time of peace, and between the Caribbean and Central America we have had a good run of peace in recent years. Central America went through a period of internal strife which they have now overcome, and I think the time is now right for us to be engaging with them to discuss how we take relevant products and services into the wider world that now presents itself.

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**What advice will you be offering Latin American delegates at the Business Forum in respect of doing business with their CARICOM neighbours?**

Rather than try to give a general perspective, I want to emphasise the fact that timing is of crucial importance in terms of when you move forward in business, and that this is our time to do so now. I think that there are many similarities which language alone cannot divide, and the more dialogue we have, the more partners we'll find who are interested in going in to a much wider market than we ourselves have at home. I don't see the extent of our trade relationship being that Jamaica will trade with Costa Rica or Trinidad will trade with Panama; I'm more interested in exploring how we can work together to do business in China or India. How do we jointly move towards those ends? That's the message that I'll be carrying.

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**And what message will you be looking to send to policy makers in particular?**

I think we need to be mindful of the real reason of why people trade. It's not a new discovery. The primary, social nature of human beings is gregarious and trade is a part of that. Wherever you find an absence of war you find an atmosphere for trade. So let's not be afraid of trade because it is a natural part of human beings' existence on this planet and has been for thousands of years. **F**