

Location Spotlight – Jamaica

January 2022: Complimentary Abstract / Table of Contents



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This report provides perspectives on key aspects of the global sourcing market in Jamaica

Location Spotlight – Jamaica

Jamaica | at a glance



Emerging Caribbean location with a favorable cost-talent proposition, primarily leveraged by service providers for voice-based business processes

KEY FACTOIDS

- 14,000-17,000 annual tertiary graduates
- Annual operating cost per FTE: 80-85% savings over Dallas, 65-70% savings over San Jose

Current overview	Key drivers	Key challenges
<ul style="list-style-type: none"> Primarily leveraged by service providers as a spoke location for contact center support; largely catering to North American and the UK-based clients Montego Bay and the Kingston-Portmore area are the key business locations leveraged by global services companies in Jamaica with evidence of companies achieving large-scale operations (1,000+ FTEs centers) in these locations The third-largest native English-speaking country in the Americas with a stable population growth over the years 	<ul style="list-style-type: none"> Has attractive cost arbitrage as compared to Dallas (80-85%) and San Jose (65-70%) It is buoyed by its neutral English accent, time-zone proximity to the North American markets, and relatively lower attrition rates as compared to other peer locations Gives lucrative investment incentives focused on the services sector offered by the government 	<ul style="list-style-type: none"> There is low public confidence in government institutes owing to high corruption and its nexus with organized crime There are some challenges over the quality and inadequacy of the city and road infrastructure leading to traffic problems and other concerns related to the quality of electricity supply and safe drinking water There are some concerns around the increased competitive intensity affecting time-to-hire in established locations such as Kingston and Montego Bay

KEY PLAYERS: 

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Location Spotlight – Jamaica

Jamaica | risk profile (page 1 of 2)

Jamaica has a moderate geopolitical and macroeconomic situation with improving ease of doing business; there are some concerns around the safety and security as well as the quality of infrastructure

Legend: ■ Highly favorable ■ Favorable, some concerns ■ Least favorable

Parameter	Everest Group rating	Comments
Geopolitical	■	<ul style="list-style-type: none"> Jamaica has a constitutional monarchy with a parliamentary system of government <ul style="list-style-type: none"> Public confidence in government institutes is low, owing to the high corruption and nexus with organized crime The country ranks 42nd out of 167 in the EIU Democracy Index and is classified under the "Flawed democracy" category Jamaica ranks 69th among 180 countries in the Corruption Perception Index making it moderately corrupt; however, progress has been made in tackling corruption and minimizing bureaucratic red tape
Macroeconomic	■	<ul style="list-style-type: none"> Standard & Poor's credit rating for Jamaica stands at B+ with a stable outlook Jamaica's GDP has been growing at a subdued rate of 1-2% over the last 4-5 years and continues to remain heavily dependent on the services sector (60-70% of GDP) <ul style="list-style-type: none"> Jamaica derives most of its foreign exchange from tourism, remittances, and bauxite/alumina export While Jamaica's GDP declined by ~10% in 2020 owing to the global pandemic, the economy is gradually rebounding primarily on account of increased tourism, domestic demand, and business services sector market activity <ul style="list-style-type: none"> However, the country is falling short of reducing its fiscal deficit target by 2025
Infrastructure	■	<ul style="list-style-type: none"> Jamaica offers multiple direct and indirect flight connections to leading business destinations in the US, Canada, and Western Europe Jamaica is ranked 91st out of 141 countries in the Global Competitive Index (compiled by the World Economic Forum) for its infrastructure quality <ul style="list-style-type: none"> The traffic congestion in the country is high, owing to inadequate access to proper road connectivity There are some additional concerns related to the quality of electricity supply and safe drinking water Since 2016, commercial rentals in Jamaica have dropped by 30%-40% (to US\$ 13-16 per square feet per annum in 2021) across premium locations further strengthening the proposition for global service companies

Source: Everest Group (2022); EIU; Transparency International; WRR; WEF; interviews with market participants.

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Research calendar

Locations Insider™

Published Planned Current release

Flagship reports

	Release date
Location Spotlight – Croatia	August 2021
Location Spotlight – Latvia	August 2021
Location Spotlight – Ghana	August 2021
Location Spotlight – Queretaro, Mexico	November 2021
Global Locations State of the Market 2021: Embracing Uncertainties in a Disrupted World Key Trends Shaping the Landscape	November 2021
Global Locations State of the Market 2021: Embracing Uncertainties in a Disrupted World Locations PEAK Matrix®	November 2021
Reimagining Latin America Delivery in a Post-COVID World	December 2021
Location Spotlight – Sri Lanka	January 2022
Location Spotlight – Riyadh	January 2022
Location Spotlight – Jamaica	January 2022
Location Spotlight – Ahmedabad, India	Q1 2022
Location Spotlight – Malaga, Spain	Q1 2022

Thematic reports

	Release date
Data & Analytics Handbook – Delivery Location Strategy to Steer Through Digital Disruption	November 2020
Talent Handbook on Cybersecurity Skills	June 2021
Technology Services Talent Handbook – Do You Have the Right Locations in Your Delivery Portfolio?	January 2022

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