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## Editorial

The Caribbean region faces new trade perspectives due to the recent ratification of the Central America-Dominican Republic-United States Free Trade Agreement, more commonly known as CAFTA-DR. This agreement has been designed to eliminate tariffs and trade barriers and expand regional opportunities among the United States and the Latin-American countries of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic.

But what does the new CAFTA RD imply for the European ICT sector? Let's take the Dominican Republic, the biggest economy in the region, and one that actively promotes the role of technology and e-business services.

For the computer sector, for instance, this agreement implies that all computers assembled in the Dominican Republic could enter the US market duty-free. The same thing would apply to the cellular phone manufacturers as well, bearing in mind that they should all arrive in the DR as spare parts, in order to go through what the Treaty considers as a "substantial transformation", in the Dominican Republic.

At the same time, companies should take into account that this new trade environment created by the CAFTA-RD may be combined with the advantages proposed to exporters by the Dominican Republic Free Zones. Free Zones are special areas in the Dominican territory which enjoy a specific tax and customs regime and which aim to encourage the production of goods and services oriented mainly to export markets.

Please note that although the treaty was ratified in July by the US House of Representatives Congress and in August by the Dominican Republic, it should enter into force in January 2006. This leaves some time to prepare...



## Interview with Mr Paulwell, Minister of Commerce, Science & Technology of Jamaica



**Philip Paulwell,**  
Minister of Commerce,  
Science & Technology of Jamaica



**Julian Robinson,**  
Novatech Team

### What are the mission and achievements of the Minister of Commerce, Science and Technology (MCST)?

The role that the MCST has played in this regard has included the initiatives associated with the:

- Leading role in the modernisation and deregulation of the telecommunications industry in Jamaica
- Creation of the environment for establishing offshore operations such as call centres and outsourcing of back office operations
- Establishment of the Central Information Technology Office (CITO) and the fostering of the development of the National ICT Strategy, e-Readiness assessments, and technical standards for Government.

### The Digital Divide – a paradigm or reality?

The divide is very real, and exists at multiple levels. There is the most often cited North/South divide, which is real and which presents a major developmental challenge. We only need to look at the statistics in Canada and the USA in relation to PCs, broadband access and online services to see the glaring differences. For example, over 60% of the ‘average’ Canadian citizen’s last interaction with their Federal Government was via the Internet.

Then there is the divide that exists within developing countries. This is a consequence of the uneven penetration of Internet access and PCs in different segments of the society. There is a danger that the less well off may be left behind forever, even though there is a small educated and sophisticated group that is as familiar with the digital world as their counterparts in the North. This group needs to be addressed – whether by community access points, through the education system or via Post Offices and Libraries. In Jamaica there is an awareness of the internet which goes beyond the low subscriber base (of about 100,000) which needs to be translated into usage.

There is a third level of divide – between sectors and segments of our society. There are no statistics for Jamaica but in St. Lucia for example, 100% of the Banks and Law firms use computers, but PC usage in the Agricultural, Arts and Entertainment sectors is only 23-26%. And when looking at corporate websites, 66% of the travel and tourism interests have sites, but this drops to only 4% of business in the wholesale and retail trades. There are probably similar dramatic differences in

Jamaica. There are still Ministries (admittedly fewer and fewer) that still use typewriters, while no Bank employee can work without a computer.

### Why are emerging countries attractive for Investors?

There is no question about this any more. The stories coming out of India and China are good examples. There will be winners and losers. Singapore, Ireland, Costa Rica and Korea are showing the way.

The key will be the integration of Government policy, investments in the private sector and the educational systems. There is a need to have National ICT plans with clear and measurable targets.

Keys to success will be creating a country where it is easy and fast to do business, where there is a good high bandwidth infrastructure, with predictable and transparent regulations and an e-ready workforce. All the components used in measuring national e-Readiness must develop together to create an attractive investment environment so that we mature, in concert, our:

- Connectivity
- Business Environment
- Consumer & Business Adoption
- Legal & Policy Environment
- Supporting e-Services
- Social & Cultural Environment (i.e. the workforce)

There is another hierarchy in this area in terms of the “value chain” of services we need to attract. These run, from bottom to top, through:

- Data transcription
- Call centres
- Outsourced back office operations
- Local offices for internationals
- Computer operations
- Application/software development

There are natural advantages and disadvantages inherent with Jamaica, and indeed any nations. For us the plus points are:

- Language
- Time zone
- Culture
- The work force – including staff retention levels
- Telecommunications infrastructure
- The business and legal framework
- Proximity to North American markets

And the negatives are:

- Size of the market
- Relatively high costs
- Low literacy level
- Crime and violence

There is enough work to go around, so we must emphasize and play on our strengths, and “leave alone” areas where we cannot compete with the China’s of this world.

*Interview by Julian Robinson  
Novatech Caribbean Team*

## PPPs in the ICT sector: the example of the Dominican Republic.



El Instituto Dominicano de las Telecomunicaciones presented its activities during the pre-event of september 7th (see next page).

Aiming at reaching the stage of “Information Society”, a crucial step in the development of the country emphasized by the President of the Dominican Republic Leonel Fernandez, several projects are being implemented in the country to develop the ICT in different sectors.

The Education sector first of all. The Dominican Republic was one of the first countries in Latin America to develop computer labs in secondary public schools, and is now considering doing the same in primary schools. It also developed a project aiming at fostering the use of the Internet in the educational administration through a single portal, grouping administrative tools, research tools, digital libraries, data bases...

Digital libraries also constitute some of the most important aspects of the development of the ICT in the Education sector. Projects have started to create digital libraries in schools (52 schools in the pilot project) and in municipal libraries or in Houses of Culture in small towns (35 in the former, 15 in the latter).

Furthermore, “digital rooms” will be installed in the Universidad Autonoma of Santo Domingo (about 13), providing free access,

through the Internet, to high volumes of information contained in digital libraries, to more than 160 000 students.

135 Community Technological Centres will be funded throughout the country, partly thanks to the Office of the First Lady. They will constitute one of the major axes of cultural, educational and economic activities in several towns of the country.

Lastly, Centres for Computer Training will be created for young people up to 25 years old with little financial resources, in order to facilitate their training and integration into the economy.

Besides Education, projects are also funded to foster e-democracy in various sectors. Police for instance, with the “Project of Support for the Citizens’ Security”, which aims at providing the National Police with the necessary equipments to install and use a WAN, video conference systems and radio equipments. Online applications will be developed, such as prisoners databases, certificates of good behaviour, online requests for the loss of official documents etc.

As regards the support to e-democracy, a project called “Dominican Digital Towns” aiming at promoting the use of Internet by local governments and city halls, will provide a great deal of digital services enabling the development and reinforcement of a transparent State and the participation of Citizens.

Another project aiming at facilitating Exportations and Investment in the country has been implemented to incorporate in a single system every step of the process, automation of the exportation procedures etc.

The example of Indotel therefore gives us an insight of how private companies can be involved in public projects aiming at developing the ICTs in the Caribbean.

### Novatech’s sponsors



## Pre-event, september 5-7 th

Novatech's pre-event took place between September 5th and 7th. It started with the official signature of the Novatech/CEI-RD-ITLA Agreement, in presence of Lic. Eddy Martinez, Director of CEI-RD, Dr. José Armando Tavarez, Director of ITLA, Dr Ray Vargas, Vice-President of the Parque Cibernetica and Sid Boubeker from Proinvest/CDE. Were also invited selected private companies of the ICT sector.

Several topics were discussed, in particular the challenges and opportunities of doing business in the Caribbean Region, including an exchange of ideas on Public-Private Partnerships in the ICT sector after a presentation made by Indotel on the example of the Dominican Republic.



Press conference.

Official signature  
of Novatech – CEI-RD-ITLA  
Agreement



Lic. Eddy Martinez, Director of CEI - RD ; Dr José Armando Tavarez, Director of ITLA ; Dr Ray Vargas, VP of Parque Cibernetica ; Nicolas Boudeville, Novatech ; Ben Nup Nau, EC delegation-inDR ; Sid Boubekour, Proinvest, Paolo Lamim Vieira, CDE ;