



U.S. TRADE AND DEVELOPMENT AGENCY

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USTDA AWARDS GRANTS TO SUPPORT AIR JAMAICA PRIVATIZATION

KINGSTON, JAMAICA – (May 5, 2008) USTDA is supporting a program that will lead to market oriented reform and increased international investment in Jamaica. In collaboration with the International Finance Corporation (IFC), USTDA today awarded two grants, totaling \$820,180, to the Jamaican Ministry of Finance and the Public Service (MFPS) to facilitate the privatization of the national airline, Air Jamaica.

“In today’s global economy, transportation services are vital catalysts for growth,” said USTDA Director Larry W. Walther. “I am especially grateful that USTDA has been given this opportunity to help revitalize Air Jamaica, which plays such an important role in Jamaica’s economic development.”

The USTDA grant was conferred in a ceremony held today at MFPS. USTDA Director Walther and Senator The Honorable Don Wehby, MFPS Minister (Without Portfolio), signed the grant agreements on behalf of the U.S. and Jamaican governments, respectively. The Honorable Audley Shaw, Minister of Finance and the Public Service, and Mr. James T. Heg, Chargé d’Affaires at the U.S. Embassy in Kingston, signed as witnesses to the grant agreements. Mr. Kirk Ifill, IFC Resident Representative, Latin America and Caribbean Department, acknowledged the agreements on behalf of the IFC.

To improve air transportation to and from Jamaica, and increase investment in the country, the Government of Jamaica decided to privatize Air Jamaica by the end of March 2009. In order to develop a state-of-the-art privatization program, the Government of Jamaica engaged the services of the IFC.

Under the first grant awarded today to MFPS, USTDA is funding technical assistance, valued at \$480,000, to develop the appropriate legal framework and tendering documents for the privatization. Under the second grant to MFPS, valued at \$340,180, USTDA is funding the development of strategic options and financial modeling of the company’s performance, as well as recommendations for environmental abatement measures that will help the airline to meet international standards related to noise and air emissions.

(More)

The U.S. Trade and Development Agency advances economic development and U.S. commercial interests in developing and middle-income countries. The agency funds various forms of technical assistance, early investment analysis, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment. USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.

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