GOVERNMENT OF JAMAICA

FISCAL POLICY PAPER
FY 2025/26

(As Presented)

February 13, 2025

TABLE OF CONTENTS

PART 1

FISCAL RESPONSIBILITY STATEMENT

Introduction

For the first half of FY 2024/25, the Jamaican economy declined in real terms by 1.6 percent, which was largely due to the impact on the country of the passage of Hurricane Beryl in July 2024[1]. The Planning Institute of Jamaica (PIOJ) indicates that the Agriculture and Fisheries sector along with Public Infrastructure (road networks island-wide), suffered significant losses of $8.2bn and $18.3bn, respectively. The economy was also impacted by the passage of Tropical Storm Raphael in November 2024 and a sustained period of rainfall across several months. Arising primarily from these climate related events the real economy is projected to decline by approximately 0.7 percent in FY 2024/25.

The Government of Jamaica (GOJ), following a post Hurricane Beryl assessment by CCRIF SPC, was advised that both its *Tropical Cyclone* and *Excess Rainfall* policies had triggered, resulting in insurance pay-outs to Jamaica of US$26.9mn which assisted the timeliness of the recovery and response efforts and contributed to limiting the negative impact on the fiscal operations.

For the April – December 2024 period, the Central Government's fiscal and primary balances were better than the Second Supplementary Budget targets by 3.6 and 0.7 percent respectively. There were shortfalls for both Revenue & Grants (1.4 percent) and Expenditure (net of amortization) (1.5 percent). The fiscal and primary balances for the fiscal year are estimated at 0.3 percent and 6.0 percent of GDP respectively.

At end-October 2024, unemployment stood at its lowest on record, 3.5 percent, with male unemployment at 2.6 percent and female unemployment at 4.5 percent. Annualized inflation at December 2024 stood at 5.0 percent, which was within the central bank's targeted range of 4-6 percent.

During FY 2025/26 the government will continue to drive its development agenda for the public sector, including the Fiscal Commission, which will, commencing February 2025, examine and table its report two weeks after the Fiscal Policy Paper (FPP) is tabled in Parliament. The GOJ will also continue to explore the implementation of a Climate Finance Unit (CFU) within the Ministry of Finance and the Public Service.

[1] STATIN recorded a 3.5 percent decline in the real economy in Q2.

Commitment to Fiscal Responsibility

Prudent fiscal management enables a government to be nimble and ready to respond to a shock or crisis. This was demonstrated once more with the response to Hurricane Beryl and Tropical Storm Raphael that impacted Jamaica in July and November 2024 respectively. The GOJ's response to both hydro-meteorological events included the Relief Emergency Assistance and Community Help (REACH) Programme ($2.3bn) and the Constituency Based Disaster Mitigation & Cleaning Programme ($1.3bn). Citizens, particularly the economically challenged, look to their government in times of crisis, to provide support and help as they recover.

Sound fiscal management demands that an appropriate suite of disaster risk financing instruments is in place to enable Jamaica to respond to shocks in a manner that doesn't impair the country's ability to meet the fiscal and debt targets and Jamaica has been able to so do.

Table 1A: Summary of Economic Performance

	Unit	FY 2023/24 (Actual)	FY 2024/25 (Actual)	FY 2025/26 (Projection)
Real GDP Growth Rates	%	1.9	-0.7	2.2
Inflation (Annual Pt to Pt)	%	5.6	5.6	5.3
BOJ Policy Rate (e-o-p)	%	7.0	Market sensitive	Market sensitive
Exchange Rate (weighted average selling rate)	J$=US$1	154.70	Market sensitive	Market sensitive
Treasury Bill (average 6-month)	%	8.11	Market sensitive	Market sensitive
Current Account	% of GDP	3.1	1.6	0.2
Net International Reserves (NIR), (e-o-p)	US$mn	5,137.3	5,878.4	5,789.6
Gross Reserves (Goods & Services Imports)	Weeks	27.4	29.5	28.0
Fiscal Accounts				
Central Government Primary Balance	%GDP	5.7	6.0	5.1
Central Government Fiscal Balance	%GDP	0.0	0.3	0.0
Public Bodies Overall Balance	%GDP	2.5	1.7	0.5
Public Sector Balance	%GDP	2.5	2.0	0.5
Debt Stock	%GDP	73.4	68.7	63.7

Sources: MOFPS/BOJ/STATIN/PIOJ.

Notable Fiscal Developments

First, Second & Third Supplementary Estimates

The First Supplementary Estimates (FSE) tabled in Parliament on October 8, 2024, reflected the following primary objectives; (i) the transfer to MDAs from the MOFPS Contingencies, sums related to the final Year of the implementation of the public sector compensation restructure, which were not included in the FY 2024/25 Estimates of Expenditure, as the required allocation to each MDA was unknown at the time of Budget preparation; (ii) accommodation in the Central Government Expenditure Budget, of costs associated with the government's relief and recovery actions arising from the passage of Hurricane Beryl on July 03, 2024; and (iii) adjustments in the FY 2024/25 Revenue projections to incorporate the estimated impact of macroeconomic changes since approval of the original budget. The FSE 2024/25 reflected an overall net increase in expenditure of $40.7 billion above the Original Budget of $1,341.1 billion

The Second Supplementary Estimates (SSE) tabled in Parliament on November 26, 2024 reflected the reassignment of subjects and responsibilities across some ministries, departments and agencies. There was no change to the overall Budget, as neither revenue nor expenditure was affected by the changes.

The Third Supplementary Estimates (TSE) for FY 2024/25 was tabled in Parliament on January 21, 2025, and reflected adjustments to (i) the GOJ's revenue and expenditure and (ii) the Public Bodies Estimates of Revenue and Expenditure. The FY 2024/25 TSE reflected a net increase in Expenditure (above-the-line) of $4.6bn relative to the First and Second Supplementary Estimates, with Recurrent Expenditure increasing by $10.7bn and Capital declining by $6.2bn. Total Revenue & Grants programmed in the FY 2024/25 TSE was higher than the First and Second Supplementary Budget target by $2.9bn, primarily reflecting higher Non-Tax Revenue by $11.9bn and lower Tax Revenue by $8.1bn.

IMF PLL/RSF Programme

During this fiscal year, the GOJ successfully completed the final IMF review under the PLL and RSF arrangements. These programmes have supported the Government's efforts to improve financial supervision and data adequacy as well as to advance climate adaptation, renewable energy transition, and green financing while enhancing fiscal sustainability through increased resilience to climate change. The successful completion of all three IMF reviews under the PLL and the RSF underscores the Government's dedication to strengthening Jamaica's economic institutions, bolstering climate resilience, and improving financial oversight.

Fiscal Reporting

The fiscal accounts are compiled on a cash accounting basis.

It is important, however, to note the following:

(i) The actual Revenue and Grant figures referenced in this FPP represent actual collections by the revenue departments/agencies up to end December 2024. However, the revenue data contained in the Revenue Estimates represent actual transfers from the revenue departments/agencies to the Consolidated Fund. Transfers to the Consolidated Fund may differ from actual revenue collections because of a lag between receipt of revenue and the physical transfer of such revenue to the Consolidated Fund. The fiscal and primary balances shown in Table 1B and throughout the FPP are compiled on the basis of actual/projected revenue collections. Additionally, the estimated revenue and expenditure outturn for FY 2024/25 (captured in Table 1B) and from which fiscal and primary balances are generated are based on actual cash expenditure to December 2024 and projections for the rest of the fiscal year.

(ii) In compliance with the enhanced fiscal rules, the MOFPS will continue monitoring and reporting on the Specified Public Sector (SPS) in FY 2025/26. Reporting on Central Government operations and on public bodies will continue as required under the FAA Act.

(iii) Following the March 2024 first publication of General Government data, a benchmark under the recently concluded IMF PLL\RSF programme, the GOJ duly published in September 2024, General Government Data related to FY 2023/24. Thereafter, publication will occur each September, six months after the end of the previous fiscal year.

Table 1B: Medium Term Fiscal & Debt Indicators

(J$mn)	Actual	Actual	Actual	Est.	Proj.	Proj.	Proj.	Proj.	Proj.
	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**
Revenue & Grants	**575,401.1**	**720,224.5**	**827,775.1**	**925,283.0**	**1,076,686.1**	**1,096,083.1**	**1,103,375.0**	**1,167,089.0**	**1,236,432.8**
of which Tax Revenue	505,686.7	616,367.9	752,841.1	831,573.9	896,957.8	949,493.9	1,016,045.6	1,073,977.0	1,137,214.5
Expenditure	**635,911.3**	**698,895.6**	**819,989.0**	**924,110.8**	**1,068,652.5**	**1,095,302.8**	**1,137,465.9**	**1,200,922.7**	**1,242,399.7**
of which Wages & Salaries	208,002.2	222,484.2	317,884.6	378,213.2	424,684.6	463,431.5	493,641.8	526,209.5	556,369.2
of which Interest	129,037.9	137,047.8	151,375.0	172,165.3	182,346.8	177,532.5	170,521.7	164,433.6	146,283.6
Cent Govt Fiscal Balance	**-60,510.2**	**21,328.9**	**7,786.1**	**1,172.3**	**8,033.6**	**780.3**	**-34,090.8**	**-33,833.8**	**-5,966.9**
Cent Govt Primary Balance	**68,527.7**	**158,376.7**	**159,161.1**	**173,337.5**	**190,380.4**	**178,312.9**	**136,430.9**	**130,599.9**	**140,316.8**
Domestic Debt	795,225.0	810,089.7	799,313.3	831,496.1	846,953.2	876,626.6	944,469.1	1,004,098.9	1,004,343.0
External Debt	1,295,272.7	1,345,803.5	1,299,876.2	1,395,577.8	1,406,118.9	1,406,016.1	1,407,937.9	1,420,864.7	1,462,572.0
Net Public Bodies	47,072.9	31,704.1	22,247.7	-5,071.6	-54,191.5	-65,639.4	-85,270.3	-106,695.9	-125,468.6
Total Debt	**2,137,570.7**	**2,187,597.2**	**2,121,437.2**	**2,222,002.4**	**2,198,880.7**	**2,217,003.3**	**2,267,136.7**	**2,318,267.6**	**2,341,446.5**
(% GDP)									
Revenue & Grants	**29.5%**	**31.0%**	**30.1%**	**30.5%**	**33.7%**	**31.5%**	**29.7%**	**29.6%**	**29.6%**
of which Tax Revenue	**25.9%**	**26.5%**	**27.3%**	**27.5%**	**28.0%**	**27.3%**	**27.3%**	**27.2%**	**27.2%**
Expenditure	**32.6%**	**30.1%**	**29.8%**	**30.5%**	**33.4%**	**31.5%**	**30.6%**	**30.4%**	**29.7%**
of which Wages & Salaries	**10.7%**	**9.6%**	**11.5%**	**12.5%**	**13.3%**	**13.3%**	**13.3%**	**13.3%**	**13.3%**
of which Interest	**6.6%**	**5.9%**	**5.5%**	**5.7%**	**5.7%**	**5.1%**	**4.6%**	**4.2%**	**3.5%**
Cent Govt Fiscal Balance	**-3.1%**	**0.9%**	**0.3%**	**0.0%**	**0.3%**	**0.0%**	**-0.9%**	**-0.9%**	**-0.1%**
Cent Govt Primary Balance	**3.5%**	**6.8%**	**5.8%**	**5.7%**	**6.0%**	**5.1%**	**3.7%**	**3.3%**	**3.4%**
Domestic Debt	**40.8%**	**34.9%**	**29.0%**	**27.5%**	**26.5%**	**25.2%**	**25.4%**	**25.5%**	**24.0%**
External Debt	**66.5%**	**58.0%**	**47.2%**	**46.1%**	**44.0%**	**40.4%**	**37.9%**	**36.0%**	**35.0%**
Net Public Bodies	**2.4%**	**1.4%**	**0.8%**	**-0.2%**	**-1.7%**	**-1.9%**	**-2.3%**	**-2.7%**	**-3.0%**
Total Debt	**109.7%**	**94.2%**	**77.0%**	**73.4%**	**68.7%**	**63.7%**	**61.0%**	**58.8%**	**56.0%**

Source: MOFPS

Conclusion

Jamaica's economy suffered a significant shock, with the arrival of Hurricane Beryl on July 3, 2024, resulting in a reduction of 3.5 percent in real economic activity by during the second quarter of the fiscal year. A further negative shock occurred on November 5, 2024 in the form of Tropical Storm Raphael, which is estimated to have impacted the real economy by negative 0.5 percent in the third quarter. Annualized, the revised full year growth is now estimated to be negative 0.7 percent. The economy is now in *full recovery mode* and is projected to register real growth of 2.2 percent next fiscal year.

Unemployment is at an all-time low of 3.5 percent and this bodes well for poverty reduction.
Annual point-to-point inflation as at December 2024 was 5.0 percent, within the central bank's target of 4-6 percent. The bank began to cautiously ease its policy rate in August 2024 by 25 basis points on four occasions, to reach 6.0% at end December 2024. Both consumer and business confidence registered significant gains in the fourth quarter, with consumer confidence

rising by 4 percentage points over the previous quarter and business confidence rising by 12.9 percentage points.

The World Economic Outlook (January 2025) produced by the IMF, forecasts global growth to improve marginally from 3.2 percent in 2024 to 3.3 percent in 2025 and 2026, reflecting upward revisions for some advanced economies and emerging market developing economies.

Climate Change challenges will be with us for the foreseeable future. The GOJ will continue investing in reforms that strengthen physical and fiscal resilience. We will continue to champion the use of "clean energy" generation, reduce fossil fuel based energy consumption and support the development of *green bonds* to *crowd-in* private capital. The GOJ cannot do it alone but stands ready to partner with the private sector as we seek to *scale-up* climate investments.

Jamaica, having achieved macroeconomic stability, fiscal and debt sustainability, must now look to achieve higher levels of economic growth to create the fiscal space, through higher national incomes and revenues to meet higher public expenditure demands. Going forward, education and health will require special focus in the drive for economic and social development, making Jamaica **the place of choice to live, work, raise families and do business.**

In this Fiscal Responsibility Statement, I hereby declare that, in pursuing the policy objectives of the Government, I will adhere to the principles of prudent fiscal management and seek to manage fiscal risks accordingly. In so doing, I hereby attest to the reliability, accuracy and completeness of the information contained in this Fiscal Policy Paper and its compliance with fiscal responsibility principles.

Fayval Williams, MP
Minister of Finance and the Public Service
February 13, 2025

PART 2

MACROECONOMIC FRAMEWORK

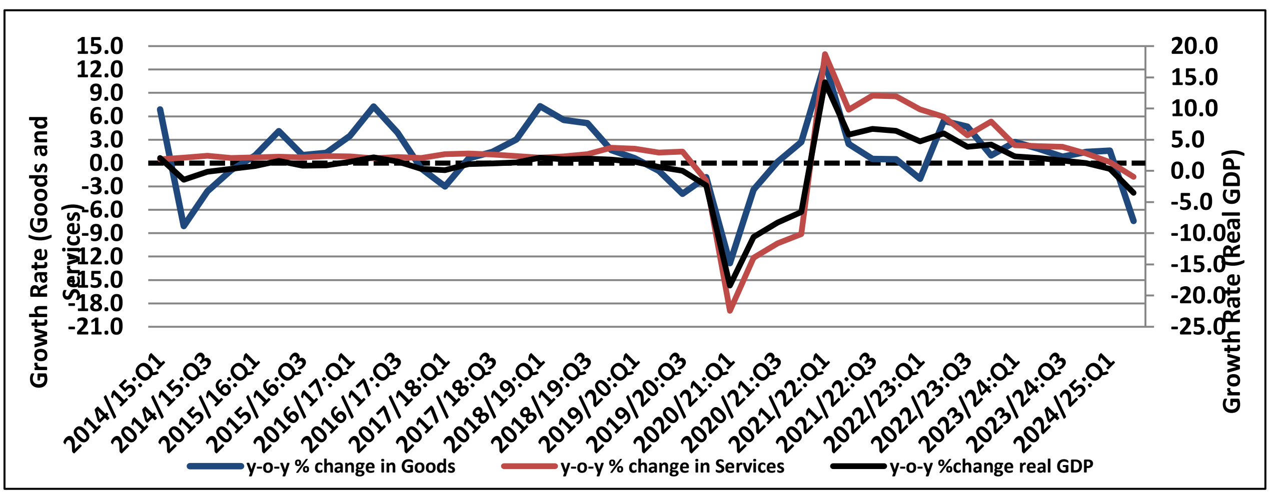
Overview of Macroeconomic Developments FY 2024/25

The Jamaican economy faced significant challenges from April to September 2024, transitioning from a period of economic slowdown to contraction, primarily due to external factors. The negative effects of Hurricane Beryl, weakened domestic and external demand and a tightened monetary policy environment have temporarily impacted the country's growth trajectory. Despite these challenges the Government of Jamaica remains resolute in maintaining prudent fiscal policies, while strategically building its buffer against external shocks. The economic downturn was fuelled by declines in both the Goods Producing and Services Industries.

With the exception of the Transport, Storage & Communication and the Finance & Insurance Services sub-categories, all other sectors within the Services Industry declined during the review period. Growth in the Transport, Storage & Communication industry was driven by improvements in the post and telecommunications sub-category fuelled by increased telephone and subscriber television services. The expansion within Finance & Insurance Services was due to higher net interest income, fees and other charges.

During the review period, all sectors within the Goods Producing Industry contracted. The decline in output was primarily due to the impact of Hurricane Beryl. The performance of Jamaica's economy during April to September 2024 was marked by a mix of minimal growth in the first quarter and a contraction in the second quarter of the fiscal year. This is highlighted in Figure2 (i) and 2(ii) below.

Figure 2(i): Quarterly year-over-year percent change in the Goods and Services components of real GDP



Source: STATIN

The Bank of Jamaica commenced monetary easing in August 2024 when it reduced the policy rate by 25 basis points from 7.0 percent to 6.75 percent. Since then, the policy rate has been further reduced to 6.0%, influenced by the inflation rate hovering within the target range of 4 – 6 percent. Despite the negative effects of natural disasters, the inflation rate remains low and stable. This is attributed to prudent fiscal policy, lagged effects of the Bank's relatively tight monetary policy, the downward trajectory of commodity prices and decreases in the inflation rates of Jamaica's main trading partners. As it relates to the labour market, conditions have remained favourable.

On the External side, the positive performance continued across the April to June 2024 period, with the current account balance recording a surplus, though lower than that achieved during the first quarter of the previous fiscal year.

The fiscal policies of the Government continue to support macroeconomic stability, with a steadfast commitment to fiscal responsibility. Over the past four years, the GOJ has significantly strengthened fiscal resilience against climate-related shocks, with strategic investments in disaster risk financing instruments. These efforts have proven effective, as key fiscal indicators remained relatively stable despite the adverse impact of hydro-meteorological events during the fiscal year. Economic conditions are expected to improve in the latter quarter of the fiscal year conditional on favourable weather conditions, increased domestic demand, improved business and consumer confidence and greater levels of productivity.

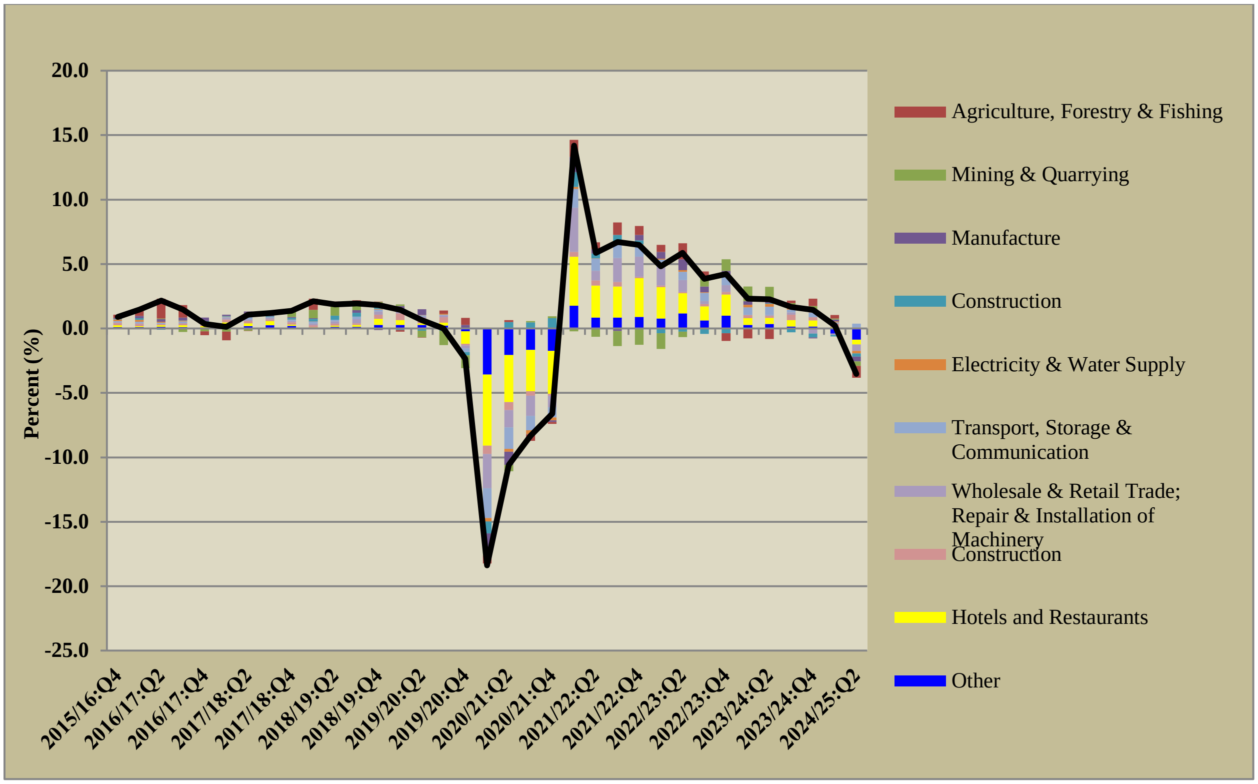
This Macroeconomic Framework details developments in the real sector, labour market, monetary sector and external sector. Additionally, a medium term macroeconomic profile is provided, alongside an overview of international developments and changes in international commodity prices.

Real Sector Developments

Economic Performance for the period April to September of FY 2024/25

The Jamaican economy contracted by 1.6 percent in the first half of FY 2024/25, marking the first contraction since the recovery from the economic downturn triggered by the COVID-19 pandemic. Hurricane Beryl caused significant disruptions across multiple sectors, leading to declines in both the Goods Producing and Services Industries.

Figure 2(ii): Contribution to Quarterly GDP Growth by Sector



Source: STATIN

All sectors within the Goods Producing Industry declined, leading to an overall contraction of the Industry for the period. 'Mining & Quarrying' and 'Agriculture, Forestry & Fishing' registered the largest declines of 7.4 percent and 4.2 percent, respectively. Output from Mining & Quarrying declined considerably in the second quarter of the fiscal year, reflecting a reversal relative to the moderate growth in the first quarter. The passage of Hurricane Beryl in July 2024 caused significant damage to the JAMALCO pier, impacting the sector negatively. Alumina production fell by 12.6 per cent to 345,375 tonnes, while crude bauxite declined by 17.1 percent to 1,346,518 tonnes. Export of aluminium and bauxite also decreased in the second quarter. Similarly, the downturn recorded in the 'Agriculture, Forestry & Fishing' industry was influenced by the adverse effects of Hurricane Beryl that caused significant damage to crops, livestock, and infrastructure.

A 1.1 percent decline in the Manufacturing industry over the April to September 2024 period was tempered by the 0.7 percent increase generated by the Food, Beverage & Tobacco sub-industry. Other Manufacturing contracted by 4.1 percent over the reporting period, due primarily to reduced production of refined petroleum products, non-metallic mineral products and cement production. The production of refined petroleum was negatively impacted by unplanned maintenance during the period while scheduled maintenance curtailed cement production. The contraction in the Construction sector continued, marking the fourth consecutive decline since the last quarter of 2023. For the first half of FY 2024/25, Construction declined by 2.7 percent and reflected a reduction in the sale of construction materials and lower capital expenditure on civil engineering activities.

Over the review period, contractions were recorded in six of the eight sectors within the Services Industry. The exceptions: Transport, Storage & Communication and Finance & Insurance Services, each recorded moderate growth of 1.6 percent. The outturns for the other sub-industries were as follows: Hotels & Restaurants down by 2.1 percent, Other Services down by 3.6 percent, Electricity & Water Supply down by 1.8 percent, Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment down by 1.7 percent, Real Estate, Renting & Business Activities down by 2.4 percent and Producers of Government Services down by 1.2 percent.

Foreign national arrivals decreased relative to the April to September 2023 period. The reduction in tourist arrivals impacted several sectors within the Services Industry, including, Hotels & Restaurants and Other Services. The number of passengers (inclusive of air & cruise) passing through the country fell by 12.3 percent from 1,859,518 in the first half of FY 2023/24 to 1,629,595 passengers between April to September 2024. Hurricane Beryl also contributed to the reduction in tourist arrivals during the second quarter.

Table 2A: Change in Value Added by Industry at Constant (2007) Prices (%)

INDUSRTY	FY 2021/22 April to September (Actual)	FY 2022/23 April to September (Actual)	FY 2023/24 April to September (Actual)	FY 2024/25 April to September (Actual)
GOODS PRODUCING INDUSTRY	7.3	1.7	2.2	-2.9
Agriculture, Forestry & Fishing	11.4	10.9	-9.0	-4.2
Mining & Quarrying	-18.9	-47.5	127.9	-7.4
Manufacture	8.2	7.6	2.6	-1.1
Construction	10.0	-4.0	0.1	-2.7
SERVICES INDUSTRY	10.0	6.1	2.4	-0.8
Electricity & Water Supply	2.3	2.9	6.5	-1.8
Transport, Storage & Communication	11.1	5.8	5.7	1.6
Wholesale & Retail Trade; Repair & Installation of Machinery	11.7	6.5	0.2	-1.7
Finance & Insurance Services	3.0	1.1	1.8	1.6
Real Estate, Renting & Business Activities	2.9	2.7	1.3	-2.4
Producers of Government Services	0.4	0.3	-0.5	-1.2
Hotels and Restaurants	187.1	45.6	8.1	-2.1
Other Services	0.4	11.5	4.2	-3.6
Less Financial Intermediation Services Indirectly Measured (FISIM)	3.7	1.8	3.3	2.6
REAL GDP GROWTH	9.9	5.3	2.3	-1.6

Source: STATIN

Labour Market Development

The October 2024 Labour Force Survey undertaken by the Statistical Institute of Jamaica (STATIN) reflects revisions, based on recommendations from the International Labour Organization (ILO). These modifications were incorporated into the Labour Force Survey in January 2024 and reflected changes to the definitions, concepts, classifications and methodologies. These changes represent a break in the series, diminishing the usefulness of data comparability with previous quarters.

Jamaica recorded 51,300 unemployed individuals, representing an unemployment rate (Labour Underutilization indicator 1 – LU1) of 3.5 percent as at October 2024. The unemployment rate among females was notably higher at 5.0 percent, compared to 2.6 percent among males. Youth unemployment stood at 11.0 percent, accounting for 21,600 individuals.

During the reference period, the total labour force comprised 1,468,300 persons, representing a participation rate of 68.1 percent. Males constituted 53.7 percent of the labour force, or 789,100 individuals, while females accounted for 46.3 percent, or 679,200 individuals. The total number of employed persons was 1,417,000, including 768,500 males, representing 54.2 percent, and 648,400 females, representing 45.8 percent. Within the employed labour force, 22,900 individuals, or 1.4 percent, were classified as underemployed, meaning they were engaged in part-time work but desired additional hours.

The remaining Labour Underutilization rates showed that the combined rate for underemployment and unemployment (LU2) was 5.1 percent, while the rate for unemployment and the potential labour force (LU3) stood at 5.4 percent. The aggregate labour underutilization rate (LU4) was recorded at 6.9 percent.

Within the fifteen industry groups, Wholesale & Retail Trade; Repair of Motor Vehicles & Motorcycles reported the largest employment, at 18.7 percent or 265,600 persons of the total employed population. Employment was also significant in Agriculture, Hunting, Forestry & Fishing, which recorded 201,400 persons or 14.2%, followed by Real Estate and Other Business Services with 165,400 persons or 11.7 percent, and Construction, which employed 134,600 persons or 9.4 percent. Collectively, these four industries accounted for more than 50.0 percent of the national workforce. With the exception of Real Estate and Other Business Services, which had a higher proportion of female workers, the other three industries were predominantly male dominated.

Assessment of the employed labour force by occupation group reveals that Services and Sales Workers' employs the largest number of individuals, a total of 343,400 persons, accounting for 24.2 per cent of the workforce. This group also had the largest number of employed females, 224,600, nearly twice as many as the 118,800 males employed in this group. The second largest group was 'Skilled Agricultural, Forestry and Fishery Workers' with 201,400 workers, followed by 'Elementary Occupations' in which 176,200 persons were employed.

Exchange Rate

The nominal exchange rate at end-December 2024 represented a 0.94 percent depreciation over the end-December 2023 rate. This change was largely underpinned by increased portfolio related demand by financial institutions. The weighted average selling rate at end-December 2024 was US$1.00 for J$156.42. The modest rate of change represents general stability in the foreign exchange market, supported by balanced demand and supply and strategic interventions by the Bank of Jamaica via its Foreign Exchange Intervention & Trading Tool (B-FX ITT). Deposit dollarization - which reflects the proportion of United States (US) dollar deposits to total deposits remains high at 36.1 percent but continues its downward trend as foreign exchange stability improves.

Inflation

Annual inflation at December 2024 was 5.0 percent, the midpoint of the BOJ's target band of 4 – 6 percent. This is 0.7 percentage point higher than November 2024 at 4.3 percent and is 1.9 percentage points lower than inflation of 6.9 percent at December 2023. Factors which influenced this decline included global commodity price trends, a lower-than-expected impact from adverse weather conditions, and prudent monetary and fiscal policies.

The All Jamaica 'All Divisions' Consumer Price Index increased from 136.7 to 143.5. The movement in the consumer price index for CY 2024 was heavily influenced by the 'Food and Non-Alcoholic Beverages' division which recorded an increase of 8.1 percent due to increases in the Vegetables (up 17.2 percent), Starchy Foods (up 12.1 percent), and fruits (22.3 percent) groups. The elevated level in food prices was due to adverse weather conditions primarily associated with Hurricane Beryl that resulted in lower yields. The growth of 7.7 percent in 'Transport' was influenced by elevated gas prices at the pumps which surpassed those of CY 2023. Other notable contributors to the inflation included: Health (up 6.0 percent), Clothing and Footwear (up 6.3 percent) and Restaurant and Accommodation Services (up 4.5 percent).

Table 2B: All Jamaica 'All Divisions' and Division Indices and Movements.

All Jamaica 'All Divisions' and Division Indices and Movements
(Base period December 2019 = 100)

	Dec 2023 Index	Mar 2024 Index	Nov 2024 Index	Dec 2024 Index	Monthly % change for Dec 20234	FY 24/25 to Dec 2024 (% change)	CY 2024 (% change)
ALL DIVISIONS - ALL ITEMS	136.7	135.1	141.9	143.5	1.2	7.0	7.0
1 Food and Non-Alcoholic Beverages	150.4	144.9	159.5	162.6	1.9	12.2	12.9
2 Alcoholic Beverages and Tobacco	127.0	127.9	134.7	135.0	0.2	5.6	5.4
3 Clothing and Footwear	123.8	124.5	127.5	127.7	0.2	2.6	2.3
4 Housing, Water, Electricity, Gas and Other Fuels	124.6	124.7	125.6	128.6	2.4	3.1	5.6
5 Furnishings, Household Equipment and Routine Household Maintenance	135.9	136.7	142.4	142.6	0.2	4.3	4.1
6 Health	120.9	122.8	126.1	126.3	0.2	2.9	2.4
7 Transport	130.9	130.0	130.3	130.0	-0.3	0.0	0.7
8 Information and Communication	102.3	101.9	101.0	101.0	0.0	-0.9	-0.9
9 Recreation Sport and Culture	123.8	125.8	129.3	129.4	0.1	2.9	2.7
10 Education	141.4	145.1	155.3	155.3	0.0	7.0	7.0
11 Restaurants and Accommodation Services	161.3	161.7	167.6	167.8	0.1	3.8	3.8
12 Insurance and Financial Services	108.5	110.3	110.3	110.3	0.0	0.0	0.0
13 Personal Care Social Protection and Miscellaneous Goods and Services	126.0	127.1	130.0	130.3	0.3	2.5	2.1

Source: STATIN

Monetary policy

Headline inflation is becoming anchored within the BOJ's 4 - 6 percent target band. As a result, the Bank began cautious easing of its monetary policy in August 2024. The policy rate was reduced by 25 basis points on four occasions, to reach 6.0% at end-December 2024. The more accommodative monetary policy stance is expected to persist in the short to medium term conditional on the continued decline in international commodity prices and favourable local economic conditions. Domestic conditions were influenced by a relatively stable foreign exchange market, moderate demand, easing wage pressures and a lower-than-anticipated inflationary impact from Hurricane Beryl.

The financial system remained stable, with adequate capital and liquidity. The Capital Adequacy Ratio for Deposit Taking Institutions (DTI) at- end September 2024 was 14.5 percent, similar to the corresponding period of last year and above the statutory requirement of 10.0 percent. Likewise, the Liquidity Coverage Ratios for these institutions are in excess of 100.0 percent at end-September 2024. Local currency deposits grew by 11.4 percent in August 2024, falling relative to the 12.2 percent growth recorded in June 2024. At end-August 2024, the flow of new loans to the private sector increased in real terms by 9.4 percent, 0.6 percentage point below the 10.0 percent recorded in June 2024. Growth in loans was attributed to borrowing from all industries with the exception of the Construction, Mining, Quarrying & Processing, Transportation and Electricity sectors.

The quality of the DTIs' loan portfolio remained fairly stable with a Non-Performing Loans (NPLs) to gross loans ratio of 2.4 percent at September 2024, slightly below the 2.5 per cent recorded a year earlier.

External Sector Developments

The Current Account Balance recorded a surplus of US$148.0mn for the first quarter of FY 2024/25. This represents a decline of US$74.2mn when compared to the surplus recorded for the previous quarter in FY 2023/24. This is reflective of outflows outpacing inflows within the Goods & Services and Primary Income sub-categories. This outturn was partially offset by moderate improvements in the Secondary Income sub-accounts due to growth in remittance inflows. The reduction in the Goods & Services subcategory was underpinned by a combination of reduced exports and growing imports. With the exception of Mining & Quarrying, which registered growth due to improvements in Alumina exports, other industries such as Agriculture and Manufacturing recorded reductions in exports. The worsening of the Primary Income sub-account resulted from higher investment income outflows.

As a percentage of GDP, the current account balance registered a surplus of 1.2 percent, equivalent to the surplus in FY 2023/24. The current account balance is projected to moderate to an average surplus of 0.0 percent to 1.0 percent of GDP over fiscal years 2024/25 and 2025/26.

The Capital Account slightly worsened by a deficit of US$1.5mn, moving from a deficit of US$5.3mn in the first quarter of FY 2023/24 to US$6.8mn in the corresponding quarter of FY2024/25. This outturn together with the balance on the Current Account yielded a net lending position of US$141.2mn, a decrease of US$75.7mn when compared to FY 2023/24.

The Financial Account recorded a net lending position of US$369.2mn for the review period, an increase of US$139.0mn compared to the corresponding quarter of the previous fiscal year. This increase was due primarily to higher holdings of Net Portfolio Investments by residents of US$131.6mn. The stock of Net International Reserves remained healthy, totalling US$5,583.7mn at end-December 2024.

Table 2E: Balance of Payments for the FY 2024/25 Q1

Balance of Payments for the First Quarter FY 2024/25
April - June 2024

Balance of Payments (US$MN)	FY 2023/24	FY 2024/25	Change
Current Account Balance	**222.2**	**148.0**	**-74.2**
Credits	2807.5	2735.9	-71.6
Debits	2585.3	2587.9	2.6
Goods & Services	-593.7	-649.6	-55.9
Credits	1759.9	1690.5	-69.4
Debits	2353.5	2340.0	-13.5
Goods	-1044.8	-1054.7	-9.9
Exports	505.2	451.7	-53.5
Imports	1549.9	1506.4	-43.6
Services	451.1	405.2	-46.0
Credits	1254.7	1238.8	-15.9
Debits	803.6	833.7	30.1
Primary Income	-49.9	-77.2	-27.3
Credits	126.2	116.3	-9.8
Debits	176.0	193.5	17.5
Secondary Income	865.8	874.8	9.0
Credits	921.5	929.1	7.6
Debits	55.7	54.3	-1.4
Capital Account	**-5.3**	**-6.8**	**-1.5**
Credits	7.0	5.5	-1.5
Debits	12.3	12.3	0.0
Net lending (+) / net borrowing (-) (balance from current and capital account)	**216.9**	**141.2**	**-75.7**
Financial Account	**216.9**	**141.2**	**-75.7**
Net lending (+) / net borrowing (-) (balance from financial account)	**230.2**	**369.2**	**139.0**
Direct Investment	-110.0	-34.7	75.3
Net acquisition of financial assets	0.0	0.2	0.2
Net incurrence of liabilities	110.0	34.9	-75.1
Portfolio Investments	203.9	182.1	-21.9
Net acquisition of financial assets	203.5	131.6	-72.0
Net incurrence of liabilities	-0.4	-50.5	-50.1
Financial derivatives	0.0	0.0	0.0
Net acquisition of financial assets	0.0	0.0	0.0
Net incurrence of liabilities	0.0	0.0	0.0
Other Investments	34.1	192.2	158.0
Net acquisition of financial assets	-76.1	-2.4	73.7
Net incurrence of liabilities	-110.2	-194.5	-84.3
Reserve Assets	102.2	29.8	
Net Errors and Omissions	13.4	228.1	

Source: BOJ

Commodities

Wide swings in prices characterized the commodity market during the April to December 2024 period, reflecting recovery from significant global shocks such as high inflation, supply and demand disruptions, geopolitical tensions, extreme weather and other macroeconomic disruptions. This is reflected in the World Bank's International Commodity Price Index which reflected an increase of 4.4 percent in the Non-Fuel Price Index and a decline of 4.1 percent in the Fuel Price Index. With the exception of fuel prices, wheat and sugar, there was a general increase in commodity prices when compared to the previous period. The decline in fuel prices reflected weak demand from China and increased production of crude oil in the United States.

Average oil prices for FY 2024/25 are projected to drop by 3.3 percent to US$75.3 per barrel, relative to the average for FY 2023/24. For FY 2025/26, average oil prices are forecast to increase by 3.7 percent, to US$78.21 per barrel, relative to the previous fiscal year. Additionally, grain prices increased relative to the corresponding period of FY 2023/24, reflecting improved production in light of favourable weather conditions. Grain prices are projected to decline in the coming weeks consequent on increases in grain supplies globally. World sugar prices fell by 19.7 percent; this was influenced by improved production in India and Thailand and a reduction in the demand for the product. Cocoa and coffee prices have reached historic highs due to disease-related shocks and trade restrictions. Global aluminium demand is projected to be robust with demand for the product rising in Africa, Asia and the Middle East, driven by the use of renewable energy technologies.

Table 2F: Selected International Commodity Prices

Commodity	Unit	Average Percentage Change	
		Apr-Dec FY 2023/24	Apr-Dec FY 2024/25
Non-Fuel Price Index		-10.2	4.4
Fuel (Energy) Price Index		-32.6	-4.1
Select Commodities			
Cocoa	Cents per Kg.	47.6	126.3
Coffee, Arabica	Cents per Kg.	-19.6	34.6
Soybean meal	$/mt	-3.5	16.8
Maize/Corn	$/mt	-26.5	20.5
Wheat, US, SRW	$/mt	-36.3	-8.5
Sugar, EU, domestic	Cents per Kg.	5.2	-0.4
Sugar, World	Cents per Kg.	32.8	-19.7
Crude Oil	US$ per Barrel	-17.2	3.5
Aluminum	US$/Tonne	1831.1	13.0

Source: World Bank Commodity Prices

Fuel and non-fuel commodity prices are projected to decline in 2025 and 2026, with the reduction primarily driven by falling oil prices. Downside risks to the fuel price forecast include weaker global demand for oil amid slowing global growth, the diversification of oil production and an ample supply from OPEC. Additional factors affecting general commodity market prices include sluggish global trade, geopolitical tensions and the imposition of commodity specific tariffs.

Global Outlook

Global economic conditions remain stable, but are expected to be below the pre-COVID average growth rate of 3.7 percent. The global economy is estimated to expand by 3.2 percent in 2024, 0.1 percentage point lower than the 3.3 percent outturn in 2023. The World Economic Outlook (January 2025) published by the IMF, forecasts global growth to improve slightly from 3.2 percent in 2024 to 3.3 percent in 2025 and 2026, reflecting upward revisions for some advanced economies and Emerging Market and Developing Economies (EMDEs). The global economic environment is characterized by lacklustre global demand, trade policy uncertainty, and global inflation which continue to trend downwards. Global inflation is expected to decline to 4.2 percent in 2025 and 3.5 percent in 2026 indicative of reductions in energy prices and in food prices.

Growth in advanced economies is expected to increase from 1.7 percent in 2024 to 1.9 percent in 2025 and 1.8 percent in 2026. This reflects the modest improvement estimated for the Euro Area, Japan, Canada and the United Kingdom. Emerging market and developing economies are projected to stabilize, with growth of 4.2 percent in 2024 and 2025. China is forecasted to see a slight slowdown during 2025.

Jamaica's Macroeconomic Outlook FY 2024/25 to FY 2028/29

The country's recovery from the impact of Hurricane Beryl during FY 2024/25 is expected to materialize in FY 2025/26. The hurricane severely affected various industries, leading to lower agricultural output and disruptions in service delivery across multiple sectors. Jamaica's growth forecasts are expected to moderate around 1.0 percent across the medium term of FY 2025/26 to FY 2028/29. Predicated on improvement in stopover arrivals, economic growth over the medium term will be driven by Hotels & Restaurants, Transport & Storage and Other Services. Without significant economic stimulus, growth in real value added is expected to be in the vicinity of pre-COVID-19 output levels. The risks to the growth forecast are assessed to be skewed downward, indicating that growth could be lower than projected due to slowdown in global economic activity. The Medium-Term Macroeconomic Profile summarizes the key macroeconomic projections that will underpin the development of the budget.

Inflation is projected to stabilize around 5.0 percent over the medium term. The current account balance as a percentage of GDP is expected to average a surplus of 1.0 percent over the medium-term. This is predicated on continued improvements in Jamaica's trade balance. Commodity prices, including fuel, are projected to decline over the medium term.

Table 2G: Medium Term Macroeconomic Profile

Macroeconomic Variables	2023/24 Act.	2024/25 Est.	2025/26 Proj.	2026/27 Proj.	2027/28 Proj.	2028/29 Proj.
Nominal GDP (J$bn)	3,029.1	3,198.8	3,482.4	3,719.0	3,944.0	4,182.6
Nominal GDP growth rate(%)	10.0	5.6	8.9	6.8	6.1	6.1
Real GDP growth rate (%)	1.9	-0.7	2.2	1.0	1.0	1.0
Inflation: Annual Pt to Pt (%)	5.6	5.6	5.3	5.0	5.0	5.0
Interest Rates:						
180-day Treasure Bill (end-period)	8.1					
90-day Treasure Bill (end-*period)*	8.0					
Average Selling Exchange Rate (J$=US$1)	155.6					
NIR (US$mn)	5,137.3	5,878.4	5,789.6	6,136.7	6,668.0	7,122.9
Current Account (%GDP)	3.1	1.6	0.2	0.7	0.7	0.8
Oil Prices (WTI) (Average US$/barrell)	77.8	75.3	78.2	80.2	80.0	80.0

Source: BOJ/STATIN

PART 3

FISCAL MANAGEMENT STRATEGY

Background

The Government of Jamaica (GOJ) remains resolute in its commitment to maintain fiscal and debt sustainability as the cornerstone of economic growth and development. Prudent fiscal management continues to be a vital contributor to long-term growth and development, ensuring resilience amid challenging domestic and global conditions. Despite being impacted by two low-pressure systems, ongoing climate-related vulnerabilities, constrained monetary conditions, weakening global economic growth and geopolitical tensions, the GOJ continued to exercise fiscal discipline during the April to December period of FY 2024/25. Through initiatives such as the Shared Prosperity through Accelerated Improvement to our Road Network (SPARK) programme, and measures such as the reverse income tax credit the GOJ has fostered stimulation to the economy while providing assistance to some groups..

Jamaica's developmental agenda remains robust, supported by strategic international partnerships. During the fiscal year, the GOJ successfully completed the final IMF review under the PLL and RSF arrangements. These programmes have supported the Government's efforts to improve financial supervision and data adequacy as well as to advance climate adaptation, renewable energy transition, and green financing while enhancing fiscal sustainability through increased resilience to climate change. The successful completion of all three IMF reviews under the PLL and the RSF underscores the Government's dedication to strengthening Jamaica's economic institutions, bolstering climate resilience, and improving financial oversight.

Recognizing the importance of preserving hard-won macroeconomic gains, the GOJ prioritized building fiscal resilience. This strategy proved instrumental in the response and recovery activities following hurricane Beryl, the first major storm of the 2024 Atlantic hurricane season and other weather related events. These events resulted in a significant shock to the Jamaican economy, largely due to the adverse impact on the agriculture and tourism sectors. The fiscal impact of these hydrological events was mitigated through the strategic use of resources from the multi-layered disaster risk financing tools, including the Contingencies Fund, the National Disaster Fund (NDF), and the Caribbean Catastrophe Risk Insurance Facility (CCRIF) that was triggered following the passage of hurricane Beryl.

As a result of prudent fiscal management, the key fiscal aggregates (fiscal and primary balances) recorded better-than-programmed performance for the April to December period of FY 2024/25.

On account of the adverse impact on the Jamaican economy from the significant hydro-meteorological events during the second and third quarters of the fiscal year, the fiscal outlook for the remainder of FY 2024/25 has been adjusted downward. Accordingly, the fiscal programme has been recalibrated in alignment with the revised macroeconomic assumptions, while ensuring compliance with the fiscal rule legislation.

The maintenance of discipline in public expenditure, while prioritizing investments in climate resilience, infrastructure modernization, and social assistance programmes, is imperative for continued economic recovery and to safeguard Jamaica’s development trajectory. In light of the Government’s track record of prudent fiscal management and strategic reforms aimed at anchoring macroeconomic stability, Jamaica remains well-positioned to navigate the global economic landscape in pursuit of sustainable and inclusive growth.

Given the GOJ’s commitment to fiscal prudence, the positive performance of Central Government’s operations is expected to continue despite global and domestic vulnerabilities that may threaten targeted fiscal outcomes. The fiscal programme for FY 2025/26 and the medium term is designed to ensure achievement of the medium-term fiscal rule target of debt/GDP at or below 60.0 percent by end-FY 2027/28.

The Fiscal Management Strategy provides an assessment of the fiscal performance for FY 2024/25, outlines key features of the upcoming budget, and presents the medium-term trajectory. It reports on the following:

- Performance of the central government and public bodies: April – December 2024;
- FY 2024/25 Estimated outturn;
- Public Debt Stock to end-December 2024 and outlook
- FY 2025/26 Budget;
- Medium Term Fiscal Outlook.

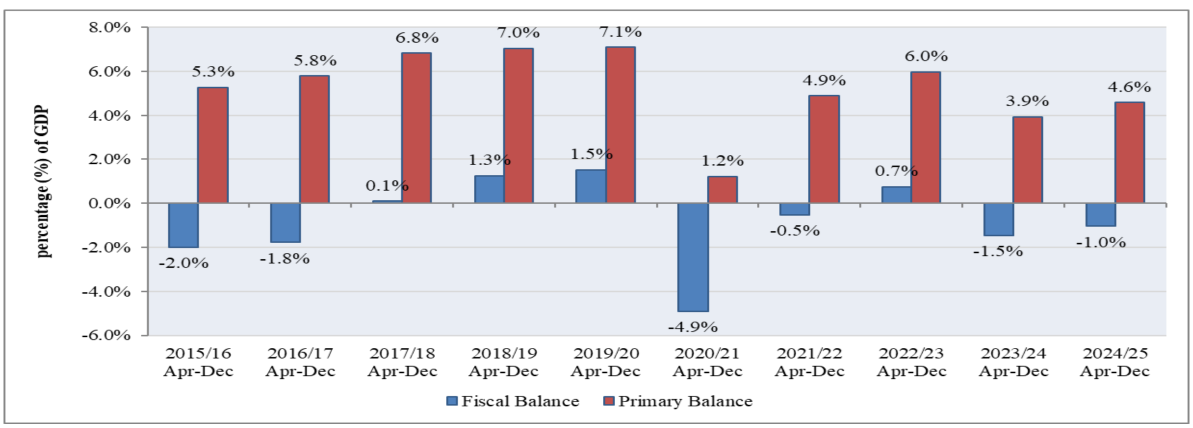
Central Government Performance: April-December 2024 against Original Budget

This section evaluates the fiscal performance against the Original Budget for the period, which does not represent the Approved Budget at the end of the review period.

The key fiscal indicators recorded positive outcomes relative to the targets under the Original Budget for the first three quarters of FY 2024/25. Despite the considerable impact of Hurricane Beryl and other hydrological events on the Jamaican economy as well as ongoing external uncertainties, the fiscal performance demonstrated progress relative to the outturns for FY 2023/24. The improved position is consequent on prudent fiscal policies and enhanced revenue systems.

At end-December 2024, Central Government operations generated a fiscal deficit of $26.4bn and a primary surplus of $104.5bn reflecting a $15.9bn lower deficit and an $18.5bn higher surplus, respectively, relative to the Original Budget. Excluding the COVID-19 pandemic years (2020 to 2022), an analysis of the ten-year period highlighted the GOJ's progress in narrowing the fiscal gap or generating surpluses whilst reducing its reliance on debt to finance the national budget. The generally positive performance of the fiscal and primary balances throughout the decade underscores the adherence to the fiscal responsibility framework, even in the face of the severe economic shocks of the global health pandemic and climate-related events (see Figure 3A). The better-than-expected performance of the fiscal indicators emanated from a $22.1bn higher than programmed Revenue & Grant flow (totalling $738.6bn), fuelled by extraordinary Non-Tax revenue receipts, which facilitated the $6.2bn higher than originally budgeted above-the-line Expenditure of $765.0bn.

Figure 3A: Primary & Fiscal Balance as a per cent of GDP (April to December 2015/16-FY 2024/25)[2]



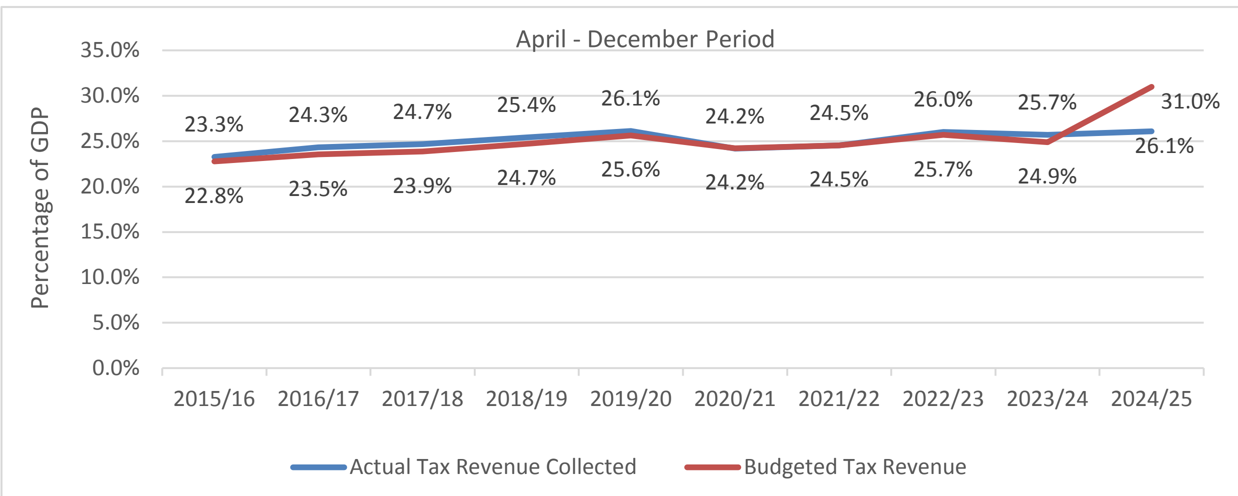
Source: MOFPS

[2] The GDP estimate for the April to December period of FY 2024/25 is based on two official quarterly outturns published by Statin and one quarterly estimate by the Bank of Jamaica (BOJ).

Tax Revenue

Tax Revenue for the April – December 2024 period performed below budget, recording a shortfall of $2.1bn, with total inflows amounting to $608.3bn. As a share of GDP, tax revenue has steadily increased beyond the outturns of the pre-COVID-19 period (see Figure 3B). The outturn relative to the original budget reflects a combination of the negative impact of hydro-meteorological events since July 2024 and the lower-than-projected impact of the implemented revenue measures. The Income & Profits tax revenue category performed above budget; however, Production & Consumption, and International Trade yielded below-budget outturns (see Table 3A.2). Compared to the corresponding periods for fiscal years 2022/23 and 2023/34, tax revenue grew by 17.1 percent and 4.6 percent, respectively.

Figure 3B: April to December Actual vs. Budgeted Tax Revenue Performance to GDP Ratios from FY 2015/16 to FY 2024/25



Source: MOFPS

Income and Profits

Income and Profits tax inflows for the period April to December 2024 amounted to $186.6bn, reflecting a surplus of $8.7bn, or 4.9 percent, relative to the original budget. This over-performance was primarily attributed to above-budget inflows from Other Companies (12.6 percent above target), PAYE (2.1 percent above target), and Tax on Interest (6.3 percent above target). The above-budget inflow from Other Companies was influenced by improvements in compliance. PAYE collections were impacted by the lower than programmed reverse income tax credit disbursements during the third quarter of the fiscal year. Bauxite/Alumina outturn of $156.8mn also contributed to the surplus and reflected the payment of arrears under the profit-sharing arrangement with one of the bauxite mining companies. Tax receipts from Income and Profits increased by 7.4 percent relative to the corresponding period of FY 2023/24.

Production and Consumption

The Production and Consumption tax category fell short of budget by 4.5 percent, totalling $195.2bn. However, this was higher than actual collections for the corresponding periods for FY 2023/24 and FY 2022/23 by 4.0 percent and 11.4 percent, respectively. This category's underperformance was largely attributed to the impact of Hurricane Beryl (July) and Tropical Storm Raphael (November) that disrupted economic activity as well as unscheduled maintenance of the oil refinery. Key contributors to the shortfall included under-performance from local SCT (down 15.5 percent), Education Tax (down 3.4 percent), Betting, Gaming and Lottery (down 14.7 percent), Accommodation Tax (down 14.6 percent), Telephone Call Tax (down 14.5 percent), local GCT (down 2.8 percent), and Stamp Duty (down 7.5 percent).

The shortfall in local SCT primarily reflected reduced production of petroleum products at the Petrojam refinery due to plant maintenance. Betting, Gaming and Lottery collections, along with the Telephone Call Tax were negatively impacted by disruptions to power supplies and telecommunication networks. Slow growth in visitor arrivals, partly influenced by negative travel advisories and adverse hydro-meteorological events, contributed to lower Accommodation Tax collections. Local GCT performance was dampened by the economic contraction. Similarly, Stamp Duty collections declined due to the downturn in economic activities, including within the Real Estate, Renting and Business sector.

The category's shortfall was partially offset by surpluses in Quarry Tax (277.5 percent) and Environmental Levy (14.3 percent). These performances were boosted by improvements in compliance.

International Trade

Actual inflows from International Trade totalled $226.6bn, falling 0.7 percent short of the budgeted target. However, when compared to the corresponding periods in FY 2022/23 and FY 2023/24, inflows grew by 6.3 percent and 2.8 percent, respectively. Amongst the various tax types in this category, only Customs Duty (up by 1.8 percent) and SCT (Imports) (up by 6.1 percent) performed positively, while all other tax types underperformed. The primary driver of this shortfall was Travel Tax, which came in 19.1 percent below budget. This underperformance was influenced by factors including lower-than-projected average exchange rate and tourist arrivals.

Table 3A.1: Central Government Summary Accounts – April to December 2024 outturn against FY 2024/25 Original Budget (J$mn)

Item	Prov Apr - Dec	Original Budget Apr - Dec	Diff	Diff %	FY 2023/24 Apr - Dec	Diff	Diff %	FY 2022/23 Apr - Dec	Diff	Diff %
Revenue & Grants	**738,559.2**	**716,506.7**	**22,052.5**	**3.1%**	**640,354.7**	**98,204.5**	**15.3%**	**567,607.9**	**170,951.3**	**30.1%**
Tax Revenue	608,303.6	610,371.3	(2,067.6)	-0.3%	581,767.2	26,536.5	4.6%	519,335.7	88,968.0	17.1%
Non-Tax Revenue	125,812.7	102,011.7	23,801.0	23.3%	51,636.7	74,176.0	143.6%	42,318.9	83,493.8	197.3%
Bauxite Levy	0.0	424.7	(424.7)	-100.0%	940.2	(940.2)	-100.0%	926.0	(926.0)	-100.0%
Capital Revenue	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Grants	4,442.9	3,699.0	743.9	20.1%	6,010.7	(1,567.8)	-26.1%	5,027.3	(584.4)	-11.6%
Expenditure	**765,007.5**	**758,845.3**	**6,162.2**	**0.8%**	**673,600.1**	**91,407.3**	**13.6%**	**552,649.8**	**212,357.6**	**38.4%**
Recurrent Expenditure	728,299.3	712,645.8	15,653.5	2.2%	636,714.6	91,584.7	14.4%	515,462.9	212,836.4	41.3%
Programmes	264,951.1	251,392.2	13,558.9	5.4%	211,178.7	53,772.3	25.5%	193,354.9	71,596.2	37.0%
Compensation of Employees	332,410.2	332,909.9	(499.8)	-0.2%	303,262.2	29,147.9	9.6%	217,799.0	114,611.2	52.6%
Wages & Salaries	315,125.1	311,793.9	3,331.2	1.1%	283,852.6	31,272.5	11.0%	203,664.4	111,460.6	54.7%
Employers Contribution	17,285.1	21,116.0	(3,831.0)	-18.1%	19,409.6	(2,124.6)	-10.9%	14,134.6	3,150.5	22.3%
Interest	130,938.1	128,343.7	2,594.4	2.0%	122,273.7	8,664.4	7.1%	104,309.1	26,629.0	25.5%
Domestic	56,335.7	53,353.5	2,982.3	5.6%	52,784.3	3,551.4	6.7%	49,917.9	6,417.8	12.9%
External	74,602.4	74,990.2	(387.9)	-0.5%	69,489.4	5,113.0	7.4%	54,391.1	20,211.2	37.2%
Capital Expenditure	36,708.1	46,199.4	(9,491.3)	-20.5%	36,885.5	(177.4)	-0.5%	37,186.9	(478.8)	-1.3%
Capital Programmes	36,708.1	46,199.4	(9,491.3)	-20.5%	36,885.5	(177.4)	-0.5%	37,186.9	(478.8)	-1.3%
Fiscal Balance (Surplus + / Deficit -)	**(26,448.3)**	**(42,338.6)**	**15,890.3**	**37.5%**	**(33,245.4)**	**6,797.2**	**20.4%**	**14,958.1**	**(41,406.3)**	**-276.8%**
Loan Receipts	**105,393.8**	**103,114.2**	**2,279.6**	**2.2%**	**153,064.5**	**(47,670.7)**	**-31.1%**	**81,439.1**	**23,954.7**	**29.4%**
Domestic	57,121.6	52,600.0	4,521.6	8.6%	52,363.9	4,757.7	9.1%	48,286.6	8,835.0	18.3%
External	48,272.2	50,514.2	(2,242.0)	-4.4%	100,700.7	(52,428.4)	-52.1%	33,152.5	15,119.7	45.6%
Project Loans	7,642.6	9,838.3	(2,195.8)	-22.3%	12,842.0	(5,199.4)	-40.5%	16,576.3	(8,933.7)	-53.9%
Other	40,629.7	40,675.9	(46.2)	-0.1%	87,858.7	(47,229.0)	-53.8%	16,576.3	24,053.4	145.1%
Other Inflows (inc'ds PCDF)	**15,313.6**	**12,305.6**	**3,008.0**	**24.4%**	**21,303.1**	**(5,989.5)**	**-28.1%**	**4,024.1**	**11,289.5**	**280.5%**
Other Outflows	**0.0**	**0.0**	**0.0**	**0.0**	**12,469.3**	**(12,469.3)**	**-100.0%**	**0.0**	**0.0**	**0.0%**
Amortization	**164,870.5**	**164,178.0**	**692.6**	**0.4%**	**108,259.1**	**56,611.5**	**52.3%**	**52,595.1**	**112,275.4**	**213.5%**
Domestic	58,401.2	58,319.1	82.1	0.1%	16,004.3	42,396.9	264.9%	20,091.9	38,309.3	190.7%
External	106,469.3	105,858.9	610.4	0.6%	92,254.8	14,214.5	15.4%	32,503.2	73,966.1	227.6%
Overall Balance (Surplus + / Deficit -)	**(70,611.3)**	**(91,096.8)**	**20,485.4**	**22.5%**	**20,393.8**	**(91,005.2)**	**-446.2%**	**47,826.2**	**(118,437.5)**	**-247.6%**
Primary Balance (Surplus + / Deficit -)	**104,489.9**	**86,005.2**	**18,484.7**	**21.5%**	**89,028.2**	**15,461.6**	**17.4%**	**119,267.1**	**(14,777.3)**	**-12.4%**

Source: MOFPS

Table 3A.2: Details of Revenue – April to December 2024 outturn against FY 2024/25 Original Budget (J$mn)

Item	Prov Apr - Dec	Original Budget Apr - Dec	Diff	Diff %	FY 2023/24 Apr - Dec	Diff	Diff %	FY 2022/23 Apr - Dec	Diff	Diff %
Revenue & Grants	**738,559.2**	**716,506.7**	**22,052.5**	**3.1%**	**640,354.7**	**98,204.5**	**15.3%**	**567,607.9**	**170,951.3**	**30.1%**
Tax Revenue	**608,303.6**	**610,371.3**	**(2,067.6)**	**-0.3%**	**581,767.2**	**26,536.5**	**4.6%**	**519,335.7**	**88,968.0**	**17.1%**
Income and profits	186,578.7	177,855.9	8,722.8	4.9%	173,769.9	12,808.9	7.4%	131,027.0	55,551.8	42.4%
Bauxite/alumina	156.8	0.0	156.8	-	0.0	156.8	-	0.0	156.8	-
Other Companies	51,661.2	45,891.9	5,769.3	12.6%	47,246.1	4,415.1	9.3%	39,259.5	12,401.7	31.6%
PAYE	101,284.8	99,236.6	2,048.2	2.1%	95,933.4	5,351.4	5.6%	66,898.5	34,386.3	51.4%
Tax on dividend	2,644.8	3,682.2	(1,037.4)	-28.2%	2,509.8	135.0	5.4%	2,499.9	144.9	5.8%
Individuals	3,564.3	3,404.6	159.7	4.7%	3,139.0	425.2	13.5%	3,136.6	427.7	13.6%
Tax on interest	27,266.8	25,640.7	1,626.1	6.3%	24,941.5	2,325.3	9.3%	19,232.5	8,034.3	41.8%
Production and consumption	195,166.6	204,413.4	(9,246.7)	-4.5%	187,677.4	7,489.2	4.0%	175,254.8	19,911.9	11.4%
Min Business Tax	50.6	0.0	50.6	-	72.8	(22.2)	-30.5%	87.3	(36.8)	-42.1%
SCT	14,193.1	16,794.4	(2,601.3)	-15.5%	16,540.1	(2,347.1)	-14.2%	20,556.1	(6,363.0)	-31.0%
Environmental Levy	731.1	639.7	91.4	14.3%	604.6	126.5	20.9%	505.1	226.0	44.7%
Motor vehicle licenses	3,998.3	3,951.6	46.6	1.2%	3,792.9	205.3	5.4%	4,333.3	(335.0)	-7.7%
Other licenses	1,254.2	1,027.0	227.3	22.1%	795.6	458.7	57.7%	1,600.8	(346.5)	-21.6%
Quarry Tax	195.0	51.7	143.3	277.4%	24.2	170.8	706.9%	75.3	119.7	159.1%
Betting, gaming and lottery	6,210.5	7,282.2	(1,071.7)	-14.7%	5,823.3	387.2	6.6%	6,284.4	(74.0)	-1.2%
Accomodation Tax	2,486.7	2,913.1	(426.4)	-14.6%	2,524.5	(37.8)	-1.5%	2,435.3	51.4	2.1%
Education Tax	37,537.4	38,848.5	(1,311.1)	-3.4%	34,124.5	3,412.9	10.0%	28,468.2	9,069.1	31.9%
Telephone Call Tax	2,001.2	2,339.3	(338.1)	-14.5%	2,173.7	(172.5)	-7.9%	2,411.9	(410.7)	-17.0%
Contractors levy	2,094.6	2,284.0	(189.4)	-8.3%	2,051.6	43.0	2.1%	2,030.2	64.3	3.2%
GCT (Local)	118,614.6	122,014.9	(3,400.3)	-2.8%	114,030.6	4,584.0	4.0%	100,860.8	17,753.8	17.6%
Stamp Duty (Local)	5,799.4	6,267.1	(467.7)	-7.5%	5,118.9	680.5	13.3%	5,605.9	193.5	3.5%
International Trade	226,558.3	228,102.0	(1,543.7)	-0.7%	220,319.9	6,238.4	2.8%	213,053.9	13,504.4	6.3%
Custom Duty	49,926.6	49,041.7	884.9	1.8%	47,088.8	2,837.8	6.0%	46,316.9	3,609.7	7.8%
Stamp Duty	3,193.9	3,268.1	(74.3)	-2.3%	3,017.9	175.9	5.8%	3,237.4	(43.6)	-1.3%
Travel Tax	20,798.4	25,698.2	(4,899.8)	-19.1%	21,708.7	(910.2)	-4.2%	18,420.8	2,377.7	12.9%
GCT (Imports)	94,091.5	94,409.9	(318.4)	-0.3%	92,038.1	2,053.4	2.2%	88,558.0	5,533.5	6.2%
SCT (Imports)	54,431.1	51,322.2	3,108.9	6.1%	52,387.4	2,043.7	3.9%	52,178.6	2,252.5	4.3%
Environmental Levy	4,116.8	4,361.9	(245.1)	-5.6%	4,079.0	37.8	0.9%	4,342.2	(225.4)	-5.2%
Non-Tax Revenue	**125,812.7**	**102,011.7**	**23,801.0**	**23.3%**	**51,636.7**	**74,176.0**	**143.6%**	**42,318.9**	**83,493.8**	**197.3%**
Bauxite Levy	**0.0**	**424.7**	**(424.7)**	**-100.0%**	**940.2**	**(940.2)**	**-100.0%**	**926.0**	**(926.0)**	**-100.0%**
Capital Revenue	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0**	**0.0**	**0.0%**	**0.0**	**0.0**	**0.0%**
Grants	**4,442.9**	**3,699.0**	**743.9**	**20.1%**	**6,010.7**	**(1,567.8)**	**-26.1%**	**5,027.3**	**(584.4)**	**-11.6%**

Source: MOFPS

Non-Tax Revenue

Non-Tax Revenue for the review period exceeded target by $23.8bn. The over-performance relative to budget largely reflects higher-than-anticipated inflows from the securitization of revenue due to the GOJ from the Norman Manley International Airport (NMIA). Compared to collections for FY 2022/23 and FY 2023/24, there was an increase in Non-Tax Revenue by 197.3 percent and 143.6 percent, respectively reflecting the impact of the securitization transaction on the outturn for FY 2024/25.

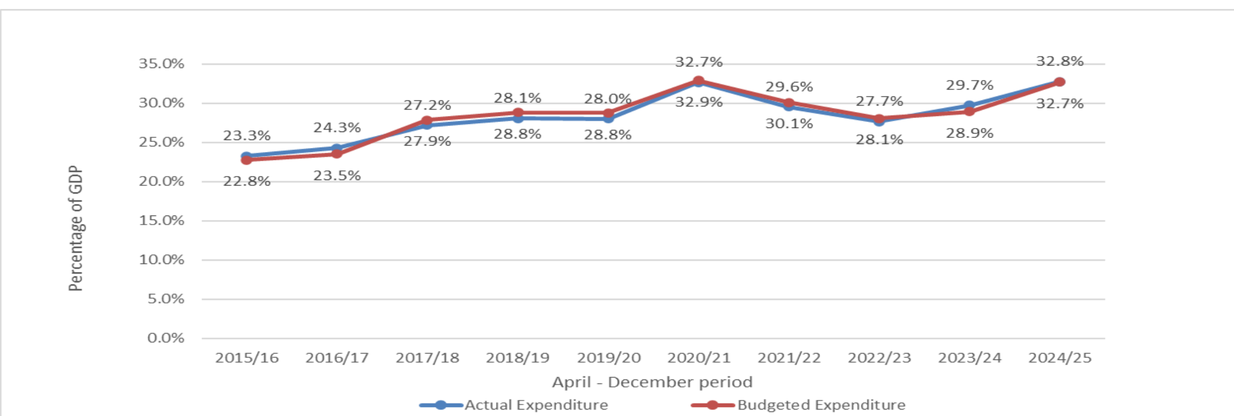
Bauxite Levy, Capital Revenue and Grants

There were no Bauxite Levy collections for the period due to waivers granted to entities from which the inflows were expected. Grants, totaling $4.4bn, exceeded budget by $743.9mn for April – December 2024, but declined relative to outturns for the corresponding period of FY 2023/24 by 26.1 percent. Consistent with budget, there was no Capital revenue collected for the period.

Expenditure

Expenditure (excluding amortization) for the review period totaled $765.0bn, reflecting a 0.2 percent more than the original budget. Recurrent Expenditure accounted for $728.3bn of the total and was 2.2 percent above budget, while Capital Expenditure totaled $36.7bn, falling short of projected spend by 20.5 percent. As a share of GDP, total expenditure (net of amortization) increased relative to the corresponding period of FY 2023/24 by 3.03 percent (see Figure 3C).

Figure 3C: April to December Actual vs. Budgeted Expenditure Performance to GDP Ratios from FY 2015/16 to FY 2024/25



Source: MOFPS

Recurrent Expenditure

Recurrent Expenditure of $728.3bn reflected higher-than-originally-budgeted spending on Programmes and Interest payments. This outturn represented a 14.4 percent increase when compared to Recurrent Spending for April – December 2023.

Programmes expenditure of $265.0bn exceeded budget by $13.6bn, in light of increased spending for post- hurricane Beryl response. This expenditure outturn represents a 25.5 percent increase compared to FY 2023/24.

Compensation of Employees, totalling $332.4bn, was broadly in-line with original projections. This amount included salary increases related to the final phase of the public sector compensation restructure. This outturn reflected a 9.6 percent increase relative to the April – December 2023 period.

Interest payments of $130.9bn surpassed original projections by 2.0 percent. Domestic interest of $56.3bn exceeded budget by 5.4 percent. External interest payments were broadly in line with budget, reflecting a marginal under-spending of 0.5 percent. Interest payments increased 7.1 percent relative to the corresponding period of FY 2023/24.

Capital Expenditure for the review period amounted to $36.7bn, a shortfall of $9.5bn or 20.5 percent, due to the slower-than-programmed pace of execution of a number of planned public sector investment projects. There was a decline in capital spending of 0.5 percent when compared to April – December 2023.

Debt Financing Flows

Loan receipts of $105.4bn for the April to December 2024 period were $2.3bn or 2.2 percent above budget. Domestic loan receipts totaled $57.1bn, 8.6 percent above budget and benefitted from favourable market conditions that facilitated the issuance of Benchmark Investment Notes at premiums. Other inflows of $15.3bn performed above original projections by $3.0bn and profited from higher-than-estimated inflows related to investments by the Petro-Caribe Development Fund (PCDF).

Total Amortization amounted to $164.9bn, remaining broadly in line with the budget. Domestic and external principal payments totalled $58.4bn and $106.5bn, respectively. Amortization exceeded payments for the corresponding period of FY 2023/24 by 52.3 percent. There were no Other Outflows for the review period which contrasted with the $12.5bn disbursed between April – December of 2023.

Central Government Performance: April-December 2024 against Second Supplementary Estimates

The Central Government performance against the Second Supplementary Estimates is outlined in Tables 3B.1 and 3B.2.

Table 3B.1: Central Government Summary Accounts – April to December 2024 outturn against FY 2024/25 Second Supplementary Estimates (J$mn)

Item	Prov Apr - Dec	Second Supplementary Estimates Apr - Dec	Diff	Diff %	FY 2023/24 Apr - Dec	Diff	Diff %
Revenue & Grants	**738,559.2**	**749,331.0**	**-10,771.8**	**-1.4%**	**640,354.7**	**98,204.5**	**15.3%**
Tax Revenue	608,303.6	614,988.2	-6,684.6	-1.1%	581,767.2	26,536.5	4.6%
Non-Tax Revenue	125,812.7	129,145.4	-3,332.7	-2.6%	51,636.7	74,176.0	143.6%
Bauxite Levy	0.0	295.3	-295.3	-100.0%	940.2	-940.2	-100.0%
Capital Revenue	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%
Grants	4,442.9	4,902.1	-459.2	-9.4%	6,010.7	-1,567.8	-26.1%
Expenditure	**765,007.5**	**776,754.9**	**-11,747.4**	**-1.5%**	**673,600.1**	**91,407.3**	**13.6%**
Recurrent Expenditure	728,299.3	735,004.4	-6,705.1	-0.9%	636,714.6	91,584.7	14.4%
Programmes	264,951.1	268,064.4	-3,113.3	-1.2%	211,178.7	53,772.3	25.5%
Compensation of Employees	332,410.2	335,778.8	-3,368.6	-1.0%	303,262.2	29,147.9	9.6%
Wages & Salaries	315,125.1	315,666.7	-541.6	-0.2%	283,852.6	31,272.5	11.0%
Employers Contribution	17,285.1	20,112.1	-2,827.0	-14.1%	19,409.6	-2,124.6	-10.9%
Interest	130,938.1	131,161.3	-223.1	-0.2%	122,273.7	8,664.4	7.1%
Domestic	56,335.7	55,616.5	719.2	1.3%	52,784.3	3,551.4	6.7%
External	74,602.4	75,544.8	-942.4	-1.2%	69,489.4	5,113.0	7.4%
Capital Expenditure	36,708.1	41,750.5	-5,042.4	-12.1%	36,885.5	-177.4	-0.5%
Capital Programmes	36,708.1	41,750.5	-5,042.4	-12.1%	36,885.5	-177.4	-0.5%
Fiscal Balance (Surplus + / Deficit -)	**-26,448.3**	**-27,423.9**	**975.6**	**3.6%**	**-33,245.4**	**6,797.2**	**20.4%**
Loan Receipts	**105,393.8**	**102,069.6**	**3,324.2**	**3.3%**	**153,064.5**	**-47,670.7**	**-31.1%**
Domestic	57,121.6	54,050.4	3,071.2	5.7%	52,363.9	4,757.7	9.1%
External	48,272.2	48,019.2	253.0	0.5%	100,700.7	-52,428.4	-52.1%
Project Loans	7,642.6	7,389.5	253.0	3.4%	12,842.0	-5,199.4	-40.5%
Other	40,629.7	40,629.7	0.0	0.0%	87,858.7	-47,229.0	-53.8%
Other Inflows (inc'ds PCDF)	**15,313.6**	**13,772.9**	**1,540.7**	**11.2%**	**21,303.1**	**-5,989.5**	**-28.1%**
Other Outflows	**0.0**	**0.0**	**0.0**	**0.0%**	**12,469.3**	**-12,469.3**	**-100.0%**
Amortization	**164,870.5**	**165,667.1**	**-796.6**	**-0.5%**	**108,259.1**	**56,611.5**	**52.3%**
Domestic	58,401.2	58,395.8	5.4	0.0%	16,004.3	42,396.9	264.9%
External	106,469.3	107,271.3	-802.0	-0.7%	92,254.8	14,214.5	15.4%
Overall Balance (Surplus + / Deficit -)	**-70,611.3**	**-77,248.5**	**6,637.1**	**8.6%**	**20,393.8**	**-91,005.2**	**-446.2%**
Primary Balance (Surplus + / Deficit -)	**104,489.9**	**103,737.4**	**752.5**	**0.7%**	**89,028.2**	**15,461.6**	**17.4%**

Source: MOFPS

Table 3B.2: Details of Revenue – April to December 2024 outturn against FY 2024/25 Second Supplementary Estimates (J$mn)

Item	Prov Apr - Dec	Second Supplementary Estimates Apr - Dec	Diff	Diff %	FY 2023/24 Apr - Dec	Diff	Diff %
Revenue & Grants	**738,559.2**	**749,331.0**	**-10,771.8**	**-1.4%**	**640,354.7**	**98,204.5**	**15.3%**
Tax Revenue	**608,303.6**	**614,988.2**	**-6,684.6**	**-1.1%**	**581,767.2**	**26,536.5**	**4.6%**
Income and profits	186,578.7	187,514.2	-935.5	-0.5%	173,769.9	12,808.9	7.4%
Bauxite/alumina	156.8	0.0	156.8	-	0.0	156.8	-
Other Companies	51,661.2	50,593.3	1,068.0	2.1%	47,246.1	4,415.1	9.3%
PAYE	101,284.8	100,926.6	358.2	0.4%	95,933.4	5,351.4	5.6%
Tax on dividend	2,644.8	3,124.4	-479.6	-15.3%	2,509.8	135.0	5.4%
Individuals	3,564.3	3,607.3	-43.1	-1.2%	3,139.0	425.2	13.5%
Tax on interest	27,266.8	29,262.6	-1,995.8	-6.8%	24,941.5	2,325.3	9.3%
Production and consumption	195,166.6	203,458.4	-8,291.8	-4.1%	187,677.4	7,489.2	4.0%
Min Business Tax	50.6	42.6	8.0	18.8%	72.8	-22.2	-30.5%
SCT	14,193.1	16,851.5	-2,658.5	-15.8%	16,540.1	-2,347.1	-14.2%
Environmental Levy	731.1	705.5	25.6	3.6%	604.6	126.5	20.9%
Motor vehicle licenses	3,998.3	4,012.9	-14.6	-0.4%	3,792.9	205.3	5.4%
Other licenses	1,254.2	1,332.5	-78.3	-5.9%	795.6	458.7	57.7%
Quarry Tax	195.0	158.1	36.9	23.4%	24.2	170.8	706.9%
Betting, gaming and lottery	6,210.5	6,567.5	-357.0	-5.4%	5,823.3	387.2	6.6%
Accomodation Tax	2,486.7	2,670.7	-184.0	-6.9%	2,524.5	-37.8	-1.5%
Education Tax	37,537.4	38,117.2	-579.8	-1.5%	34,124.5	3,412.9	10.0%
Telephone Call Tax	2,001.2	2,147.9	-146.7	-6.8%	2,173.7	-172.5	-7.9%
Contractors levy	2,094.6	2,089.7	4.9	0.2%	2,051.6	43.0	2.1%
GCT (Local)	118,614.6	122,397.6	-3,783.0	-3.1%	114,030.6	4,584.0	4.0%
Stamp Duty (Local)	5,799.4	6,364.8	-565.3	-8.9%	5,118.9	680.5	13.3%
International Trade	226,558.3	224,015.6	2,542.7	1.1%	220,319.9	6,238.4	2.8%
Custom Duty	49,926.6	49,132.0	794.6	1.6%	47,088.8	2,837.8	6.0%
Stamp Duty	3,193.9	3,081.8	112.0	3.6%	3,017.9	175.9	5.8%
Travel Tax	20,798.4	21,678.0	-879.6	-4.1%	21,708.7	-910.2	-4.2%
GCT (Imports)	94,091.5	92,949.6	1,141.9	1.2%	92,038.1	2,053.4	2.2%
SCT (Imports)	54,431.1	53,032.3	1,398.9	2.6%	52,387.4	2,043.7	3.9%
Environmental Levy	4,116.8	4,141.9	-25.1	-0.6%	4,079.0	37.8	0.9%
Non-Tax Revenue	**125,812.7**	**129,145.4**	**-3,332.7**	**-2.6%**	**51,636.7**	**74,176.0**	**143.6%**
Bauxite Levy	**0.0**	**295.3**	**-295.3**	**-100.0%**	**940.2**	**-940.2**	**-100.0%**
Capital Revenue	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0**	**0.0**	**0.0%**
Grants	**4,442.9**	**4,902.1**	**-459.2**	**-9.4%**	**6,010.7**	**-1,567.8**	**-26.1%**

Source: MOFPS

Central Government Operations: Estimates to March 2025

Budget revisions ensure that fiscal policies remain responsive, effective, and aligned with Jamaica's evolving needs and priorities. The fiscal projections for FY 2024/25 were revised due to the negative impact of meteorological & hydrological events and delays in project execution. Three revisions followed the FY 2024/25 Original Budget, culminating in the Third Supplementary Estimates approved in early January 2025 (see Table 3C). The First Supplementary Estimates addressed the increased expenditure for relief and recovery efforts following Hurricane Beryl. The Second Supplementary Estimates reflected adjustments based on changes to the Assignment of Subjects while the Third Supplementary Estimates provided for additional programme spending to be financed from increased Non-Tax revenue, as the tax revenue outlook was revised downward due to a more severe economic contraction than previously forecasted.

Revenue and Grants

Revenue & Grants are projected to be $1,076.7bn, which exceeds the Original Budget by 4.2 percent (see Table 3C) and the Second Supplementary Estimates by 0.3 percent. Tax Revenue is projected to account for the largest share of the decline, falling below Original Budget by $27.4bn and the Second Supplementary Estimates by $8.1bn.

Non-Tax Revenue is projected to grow by $11.9bn (or 7.4 percent) when compared to the Second Supplementary Estimates and $70.3bn relative to the Original Budget. This projection is expected to exceed the outturn of FY 2023/24 by $122.4bn. Collections from Grants are projected to increase by $1.1bn relative to the Original Budget. There is no Capital Revenue projected in the Third Supplementary Estimates. The projected inflows for Bauxite Levy for FY 2024/25 were rescinded in light of the waiver granted to entities from which the inflows were expected.

A primary balance surplus of $190.4bn is projected for the fiscal year, equivalent to 6.0 percent of GDP. The current projection is $6.7bn (or 3.6 percent) higher than the Original Budget of $183.7bn. The fiscal balance of $8.0bn is projected to amount to 0.3 percent of GDP.

Expenditure

Total Expenditure (less amortization) for FY 2024/25 is programmed to increase by $44.9bn or 4.4 percent relative to the Original Budget, with a current projection of $1,068.7bn for the fiscal year. This comprises Recurrent Expenditure of $1,006.9bn (higher by $63.2bn or 6.7 percent) and Capital Expenditure of $61.7bn (down by $18.3bn or 22.8 percent). The increase in Recurrent Expenditure reflects higher Compensation of Employees by $11.5bn (2.6 percent), related to the public sector compensation restructure; increased Programmes spending by $43.2bn (13.2 percent) and higher Interest payments by $8.5bn or 4.9 percent.

The downward revision of Capital Expenditure reflects the slower-than-planned execution of several public sector investment projects.

Table 3C: Central Government Summary Accounts FY 2024/25 (J$mn)

Item	Third Supplementary Estimates* Apr - March (A)	Original Budget Apr - March (B)	Diff (C=A-B)	Diff % (D=100*C/A)	FY 2023/24 Apr - March (E)	Diff (F=A-E)	Diff % (G=100*F/E)
Revenue & Grants	**1,076,686.1**	**1,033,594.6**	**43,091.4**	**4.2%**	**640,354.7**	**436,331.4**	**68.1%**
Tax Revenue	896,957.8	924,376.3	-27,418.5	-3.0%	581,767.2	315,190.6	54.2%
Non-Tax Revenue	174,017.2	103,701.1	70,316.1	67.8%	51,636.7	122,380.6	237.0%
Bauxite Levy	0.0	887.5	-887.5	-100.0%	940.2	-940.2	-100.0%
Capital Revenue	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%
Grants	5,711.0	4,629.7	1,081.3	23.4%	6,010.7	-299.6	-5.0%
Expenditure	**1,068,652.5**	**1,023,725.1**	**44,927.4**	**4.4%**	**673,600.1**	**395,052.4**	**58.6%**
Recurrent Expenditure	1,006,916.4	943,725.1	63,191.2	6.7%	636,714.6	370,201.7	58.1%
Programmes	371,062.7	327,848.7	43,214.0	13.2%	211,178.7	159,884.0	75.7%
Compensation of Employees	453,506.8	442,047.7	11,459.1	2.6%	303,262.2	150,244.6	49.5%
Wages & Salaries	424,343.8	414,197.8	10,146.0	2.4%	283,852.6	140,491.2	49.5%
Employers Contribution	29,163.0	27,850.0	1,313.1	4.7%	19,409.6	9,753.4	50.3%
Interest	182,346.8	173,828.7	8,518.1	4.9%	122,273.7	60,073.2	49.1%
Domestic	75,449.6	67,972.9	7,476.7	11.0%	52,784.3	22,665.3	42.9%
External	106,897.2	105,855.8	1,041.4	1.0%	69,489.4	37,407.9	53.8%
Capital Expenditure	61,736.2	80,000.0	-18,263.8	-22.8%	36,885.5	24,850.7	67.4%
Capital Programmes	61,736.2	80,000.0	-18,263.8	-22.8%	36,885.5	24,850.7	67.4%
Fiscal Balance (Surplus + / Deficit -)	**8,033.5**	**9,869.5**	**-1,836.0**	**-18.6%**	**-33,245.4**	**41,279.0**	**124.2%**
Loan Receipts	**251,440.4**	**191,440.4**	**60,000.0**	**31.3%**	**153,064.5**	**98,375.9**	**64.3%**
Domestic	178,485.9	89,000.0	89,485.9	100.5%	52,363.9	126,122.0	240.9%
External	72,954.5	102,440.4	-29,485.9	-28.8%	100,700.7	-27,746.2	-27.6%
Project Loans	72,954.5	8,176.3	64,778.2	792.3%	12,842.0	60,112.5	468.1%
Other	0.0	94,264.1	-94,264.1	0.0%	87,858.7	-87,858.7	-100.0%
Amortization	**317,370.4**	**317,339.6**	**30.8**	**0.0%**	**108,259.1**	**209,111.4**	**193.2%**
Domestic	170,756.4	170,678.8	77.6	0.0%	16,004.3	154,752.1	966.9%
External	146,614.1	146,660.9	-46.8	0.0%	92,254.8	54,359.3	58.9%
Other Inflows (inc'ds PCDF)	**15,545.8**	**14,502.7**	**1,043.1**	**7.2%**	**21,303.1**	**-5,757.3**	**-27.0%**
Other Outflows	**0.0**	**0.0**	**0.0**	**0.0%**	**12,469.3**	**-12,469.3**	**-100.0%**
Overall Balance (Surplus + / Deficit -)	**-42,350.7**	**-101,527.0**	**59,176.3**	**58.3%**	**20,393.8**	**-62,744.5**	**-307.7%**
Primary Balance (Surplus +/Deficit -)	**190,380.4**	**183,698.2**	**6,682.1**	**3.6%**	**89,028.2**	**101,352.1**	**113.8%**
Total Payments	**1,386,023.0**	**1,341,064.7**	**44,958.2**	**3.4%**	**794,328.5**	**591,694.5**	**74.5%**

Source: MOFPS

Table 3D: Third Supplementary versus Second Supplementary Estimates and Original Budget (J$mn)

Item	Third Supplementary Estimates Apr - March (A)	Second Supplementary Estimates Apr - March (B)	Diff (C=A-B)	Diff % (D=100*C/A)	Original Budget FY 2024/25 Apr - March (E)	Diff (F=A-E)	Diff % (G=100*F/E)
Revenue & Grants	**1,076,686.1**	**1,073,771.4**	**2,914.7**	**0.3%**	**1,033,594.6**	**43,091.4**	**4.2%**
Tax Revenue	896,957.8	905,059.3	(8,101.5)	-0.9%	924,376.3	(27,418.5)	-3.0%
Non-Tax Revenue	174,017.2	162,091.8	11,925.4	7.4%	103,701.1	70,316.1	67.8%
Bauxite Levy	0.0	887.5	(887.5)	-100.0%	887.5	(887.5)	-100.0%
Capital Revenue	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%
Grants	5,711.0	5,732.8	(21.8)	-0.4%	4,629.7	1,081.3	23.4%
Expenditure	**1,068,652.5**	**1,064,083.0**	**4,569.5**	**0.4%**	**1,023,725.1**	**44,927.4**	**4.4%**
Recurrent Expenditure	1,006,916.4	996,183.0	10,733.3	1.1%	943,725.1	63,191.2	6.7%
Programmes	371,062.7	359,116.9	11,945.9	3.3%	327,848.7	43,214.0	13.2%
Compensation of Employees	453,506.8	453,672.2	(165.4)	0.0%	442,047.7	11,459.1	2.6%
Wages & Salaries	424,343.8	424,509.1	(165.4)	0.0%	414,197.8	10,146.0	2.4%
Employers Contribution	29,163.0	29,163.0	0.0	0.0%	27,850.0	1,313.1	4.7%
Interest	182,346.8	183,394.0	(1,047.2)	-0.6%	173,828.7	8,518.1	4.9%
Domestic	75,449.6	75,466.0	(16.4)	0.0%	67,972.9	7,476.7	11.0%
External	106,897.2	107,928.0	(1,030.8)	-1.0%	105,855.8	1,041.4	1.0%
Capital Expenditure	61,736.2	67,900.0	(6,163.8)	-9.1%	80,000.0	(18,263.8)	-22.8%
Capital Programmes	61,736.2	67,900.0	(6,163.8)	-9.1%	80,000.0	(18,263.8)	-22.8%
Fiscal Balance (Surplus + / Deficit -)	**8,033.5**	**9,688.3**	**(1,654.8)**	**-17.1%**	**9,869.5**	**(1,836.0)**	**-18.6%**
Loan Receipts	**251,440.4**	**191,440.1**	**60,000.3**	**31.3%**	**191,440.4**	**60,000.0**	**31.3%**
Domestic	178,485.9	89,000.0	89,485.9	100.5%	89,000.0	89,485.9	100.5%
External	72,954.5	102,440.1	(29,485.6)	-28.8%	102,440.4	(29,485.9)	-28.8%
Project Loans	72,954.5	9,534.1	63,420.4	665.2%	8,176.3	64,778.2	792.3%
Other	0.0	92,906.0	(92,906.0)	0.0%	94,264.1	(94,264.1)	0.0%
Amortization	**317,370.4**	**317,691.3**	**(320.9)**	**-0.1%**	**317,339.6**	**30.8**	**0.0%**
Domestic	170,756.4	170,089.1	667.3	0.4%	170,678.8	77.6	0.0%
External	146,614.1	147,602.2	(988.2)	-0.7%	146,660.9	(46.8)	0.0%
Other Inflows (inc'ds PCDF)	**15,545.8**	**14,407.4**	**1,138.4**	**7.9%**	**14,502.7**	**1,043.1**	**7.2%**
Other Outflows	**0.0**	**0.0**	**0.0**	**0.0%**	**0.0**	**0.0**	**0.0%**
Overall Balance (Surplus + / Deficit -)	**(42,350.7)**	**(102,155.5)**	**59,804.8**	**58.5%**	**(101,527.0)**	**59,176.3**	**58.3%**
Primary Balance (Surplus +/Deficit -)	**190,380.4**	**193,082.4**	**(2,702.0)**	**-1.4%**	**183,698.2**	**6,682.1**	**3.6%**
Total Payments	**1,386,023.0**	**1,381,774.4**	**4,248.6**	**0.3%**	**1,341,064.7**	**44,958.2**	**3.4%**

Source: MOFPS

Public Debt Stock

At end-December 2024, the stock of Public Debt outstanding was $2,176.7bn, 2.0 percent less than the stock at end-March 2024 (see Table 3E). The year-over-year comparison showed a 1.5 percent decline in the total public debt stock, reflecting reductions in both public bodies' debt and Central Government debt over the period.

Central Government debt at end-December 2024 was $2,209.0bn, representing a decrease of 0.2 percent compared to end-December 2023 and 0.8 percent relative to end-March 2024. The decline, year-over-year, reflects reductions in both domestic and external debt, driven mainly by a 1.1 percent fall in the external marketable securities portfolio. The 0.2 percent decline in domestic debt resulted from the net reduction in the outstanding debt associated with financing from Benchmark Investment Notes (BINs). Net Public Bodies (PBs) debt decreased by $28.3bn at end-December 2024, representing a 698.3 percent reduction relative to end-December 2023.

The debt-to-GDP ratio is projected to be 68.7 percent at end-FY 2024/25, representing a 4.6 percentage point reduction over the outturn at end-March 2024. The debt ratio is expected to continue on the downward trajectory toward the debt-to-GDP target of 60.0%, or less, by FY 2027/28.

Table 3E: Stock of Public Debt (J$mn)

	End-December 2023	End-March 2024	End-December 2024	(%) Total SPS Debt End-December 2024
	J$ millions	J$ millions	J$ millions	%
Total Specified Public Sector Debt	**2,209,096.5**	**2,222,002.4**	**2,176,675.8**	**100.0%**
Total Central Government Debt	**2,213,149.5**	**2,227,074.0**	**2,209,032.1**	**101.5%**
Central Government Domestic Debt	**830,152.2**	**831,496.1**	**828,719.7**	**38.1%**
Marketable Securities	**830,152.0**	**831,496.0**	**828,719.5**	**38.1%**
Bonds	819,852.0	821,196.0	818,419.5	37.6%
Treasury Bills	10,300.0	10,300.0	10,300.0	0.5%
Loans	**0.2**	**0.2**	**0.2**	**0.0%**
Perpetual Annuities	0.2	0.2	0.2	
Central Government External Debt	**1,382,997.4**	**1,395,577.8**	**1,380,312.4**	**63.4%**
Marketable Securities	**758,460.4**	**757,222.1**	**750,286.4**	**34.5%**
Bonds	758,460.4	757,222.1	750,286.4	34.5%
Loans	**624,537.0**	**638,355.7**	**630,026.0**	**28.9%**
Bilateral	**109,527.2**	**102,955.6**	**98,045.1**	**4.5%**
OECD	1,628.3	1,612.9	1,318.5	0.1%
Non-OECD	107,899.0	101,342.7	96,726.6	4.4%
Multilateral	**515,009.8**	**535,400.1**	**531,980.9**	**24.4%**
IDB	235,050.2	229,801.8	222,448.8	10.2%
IBRD	152,958.9	152,451.7	151,080.6	6.9%
IMF	101,890.6	128,954.2	136,687.2	6.3%
Other	25,110.1	24,192.5	21,764.4	1.0%
Commercial Banks	-	-	-	**0.0%**
Non Central Government Debt	**(4,053.1)**	**(5,071.6)**	**(32,356.3)**	**-1.5%**
Net Public Bodies	(4,053.1)	(5,071.6)	(32,356.3)	-1.5%

Source: MOFPS

SELF-FINANCING PUBLIC BODIES OPERATIONS - FY 2024/25

Public Bodies[3] comprise statutory bodies and authorities (with body corporate status), as well as government owned companies, and collectively represent an important subset of the public sector. There are approximately 150 active public bodies and they perform regulatory, advisory, supervisory, research, technical, administrative or quasi-judicial functions of a governmental nature. Some of these entities deliver public policy objectives while engaging in commercial activities; these are a subset of the self-financing public bodies (SFPBs).

SFPBs Performance

The group of SFPBs is expected to generate a net operating surplus (Current Balance) of $106.4bn for FY 2024/25. This represents an improvement of $18.7bn relative to FY 2023/24, due primarily to an overall increase in operating revenues particularly for the National Housing Trust, Clarendon Alumina Production Limited and Petrojam Limited. Further, the Group is estimating an Overall Balance Surplus of $50.9bn at March 31, 2025, compared with the initial projected surplus of $34.4bn and the $69.7bn outturn for FY 2023/24. The estimated $16.4bn increase in the Overall Balance against the original budget is mainly due to the expected improvement in the Overall Balances for the National Housing Trust, the Urban Development Corporation, Petrojam Limited and the National Water Commission which are estimated to exceed their budgeted Overall Balances by $17.4bn, $6.5bn, $5.5bn and $4.2bn, respectively. The primary factors contributing to the outturn of these public bodies are highlighted below:

National Housing Trust (NHT) – The NHT estimates slower than planned execution of its housing projects and an improvement in the collection of mortgage repayments; which together, is estimated to result in the higher Overall Balance surplus by $17.4bn. The Trust expects to commence construction of 6,366 housing units, compared to its original target of 15,009 and estimates to complete construction of 2,754, compared to its original target of 3,664. This has contributed to a $15.3bn underspend in its housing expenditure which stems predominantly from delays in the execution of its Guaranteed Purchase Programme. The NHT is facilitating the creation of 6,776 mortgages, improving on the original target of 6,075. This, together with improved mortgage collection compliance is expected to result in a $4.2bn improvement in repayment inflows.

Urban Development Corporation (UDC) – The UDC's original budget provided for the transfer of $4.5bn to the Central Government by way of a special financial distribution. The projected financial distribution however will not be effected as proceeds from property sale to be received in FY 2024/25 are estimated to fall below original projections. The consequent reduction in transfers to Government is the main contributor to the $6.5bn improvement in UDC's Overall Balance.

[3] Defined in the Public Bodies Management and Accountability Act as Statutory Bodies, Authorities or Government Companies, but do not include Executive Agencies.

Petrojam Limited (Petrojam) – Petrojam estimates a $5.4bn better-than-programmed Overall Balance as a result of slower than planned execution of its core refinery infrastructure capital programme, contributing to an under-spend of $2.5bn. This is complemented by a $6.1bn higher utilization of its petroleum inventory against the initial projections resulting in an overall positive variance of $8.6bn in Petrojam's capital account, relative to budget. Savings in this regard were however offset by lower than projected sales; resulting in a $3.4bn reduction in Petrojam's operating results against the initial projections.

National Water Commission (NWC) – the NWC estimates that its capital expenditure programme will lag behind its original budget by $8.3bn. The NWC highlighted delays in the execution of K-Factor projects, meter installation activities, the Greater Mandeville water supply, and main replacements partly due to a delay in securing financing. Cash savings resulting from the delayed implementation of its capital programme is estimated to be offset by lower than budgeted revenues, resulting in an Overall Balance surplus of $2.0bn, which is $4.2bn better than the programmed deficit of $2.2bn.

Transfers to and From Government

Some public bodies continued to receive assistance from the Government, particularly in the form of grants. The Government is estimated to transfer $48.0bn to Public Bodies for FY 2024/25. These include the following:

- National Road Operating and Construction Company
- Jamaica Urban Transit Company
- Airports Authority of Jamaica
- Universal Service Fund
- National Water Commission

Some SFPBs also received grants to assist with meeting costs related to compensation for employees. These include the Transport Authority, the Jamaica Agricultural Regulatory Authority and the Jamaica Ultimate Tyre Company Limited.

The Group of SFPBs is estimated to transfer a total of $76.5bn (original budget: $75.9bn) to the Central Government by way of Financial Distributions, Special Distributions and Other Taxes. The estimated transfers include Petrojam Limited (special consumption tax and ad-valorem - $46.6bn); and the NHT (special financial distribution - $11.4bn).

The estimated performance of the SFPBs for FY 2024/25 is shown in Table 3I.

MEDIUM-TERM FISCAL PROGRAMME

Sound fiscal and economic policies enabled the country to successfully navigate a series of economic disruptions during FY 2024/25. By prioritizing debt reduction, fiscal resilience, and operating prudently, macroeconomic stability was generally maintained, whilst targeted support was provided to those most in need. The Jamaican economy, however, continues to face challenges, including sluggish growth, which adversely impacts fiscal performance. Addressing the issues of low productivity, crime, violence and economic diversification is a priority. In addition, efforts to improve the business environment, innovation capacity, and human capital development must be sustained and strengthened. This is paramount to achieving meaningful and sustainable economic expansion that will spur revenue growth and enable the GOJ to undertake essential capital investments and enhance its delivery of public goods and services, while maintaining fiscal responsibility. In this regard, the GOJ remains steadfast in its commitment to the principles of prudent fiscal governance and the implementation of policies that will build economic and fiscal resilience, support economic growth and improve the well-being of all Jamaican citizens. Within this context, the medium-term fiscal programme outlined in Tables 3G and 3H reflects the maintenance of fiscal discipline, while prioritizing social protection and growth enhancing capital expenditure.

The medium-term fiscal profile has been formulated within the context of the legislated targets under the Fiscal Responsibility Framework, and is underpinned by the macroeconomic assumptions provided in the Macroeconomic Framework. The overarching objective is the attainment of a debt-to-GDP ratio of 60.0%, or lower, by the end of FY 2027/28.

Revenue Strategy

The Government of Jamaica (GOJ) is committed to enhancing its revenue systems, focusing on simplicity, fairness, and efficiency. Improving the tax system will ensure adequate funding for public goods and services, promote a competitive business environment, and drive economic growth. To achieve this, the GOJ will implement strategic policies and administrative reforms over the medium term.

Tax Administration Reform

The principal revenue collection agencies, Tax Administration Jamaica (TAJ) and Jamaica Customs Agency (JCA), will continue to employ strategies aimed at improving the efficiency of the tax system. The following summarises the main initiatives to be undertaken during FY 2025/26, with details provided in Appendix V.

Tax Administration Jamaica (TAJ)

Over the medium term, TAJ will continue to implement key initiatives toward achieving the authority's strategic objectives. During FY 2025/26, the Agency will be prioritizing three strategic objectives spanning the Domestic Tax Administration and Executive Administration programmes. These strategic objectives are:

1. *To maximize efficiency and effectiveness of the authority* - TAJ will focus on *'Agile Business Transformation'*, to be spread across its two programmes, by pursuing digital solutions as well as exploring and applying the use of various business models that allow for increased operational efficiency;
2. *To foster a customer-centric culture* - TAJ will focus on customer satisfaction, through its ongoing project of simplifying the tax system and creating tools that make tax payments, declarations, appeals, queries, and other client interactions easy, safe, efficient, and reliable;
3. *To improve voluntary tax compliance* - The Agency will focus on voluntary tax compliance, through strategic data management & analytics.

Jamaica Customs Agency (JCA)

The Jamaica Customs Agency, in support of the GOJ's overarching revenue strategy, has established several medium-term strategic objectives, which include, inter alia:

- Modernizing customs administration for a sustainable contribution to economic development by end-FY 2025/26;
- Improving trade facilitation and revenue collection towards achieving the annual revenue target; and
- Reducing outstanding arrears by 5% annually, in an effort to optimize revenue collection.

To facilitate the improvement in trade facilitation and revenue collection, the JCA will be undertaking and continuing a number of reform initiatives, including: ASYCUDA upgrade and enhancement and border control operations.

Revenue Profile

Revenue and Grants are programmed at 31.5% of GDP in FY 2025/26, 2.2 percentage points lower than the 33.7% of GDP estimated for FY 2024/25, largely due to lower projected Non-Tax receipts. Over the medium term, Revenue & Grants as a percentage of GDP are projected to average 29.6% (see Table 3H). Tax Revenue as a percentage of GDP for FY 2025/26 is projected to be 27.3%, compared to the estimate of 28.0% for FY 2024/25, and is forecasted to decline marginally to average 27.3% over the medium term. Non-tax Revenue is projected to decline from 5.4% of GDP in FY 2024/25 to 4.0% of GDP for FY 2025/26. Over the medium term, Non-Tax revenue is projected to average 2.1%. Inflows from Grants are forecasted to average 0.2% of GDP over the medium term.

Expenditure Strategy

The GOJ remains firmly committed to fiscal discipline and fostering continued economic growth. Accordingly, above-the-line Expenditure is projected to decline gradually from 31.5% of GDP in FY 2025/26 to 29.7% in FY 2028/29. The declining expenditure ratio is influenced by the projected reduction in interest payments as a percentage of GDP, consistent with the targeted decline in the public debt to GDP ratio over the medium term.

Capital expenditure is projected to increase gradually from 1.8% of GDP in FY 2025/26 to 2.2% in FY 2028/29.

FY 2025/26 BUDGET – CENTRAL GOVERNMENT

The Central Government budget for FY 2025/26 is formulated to ensure achievement of the overarching medium term debt/GDP target. The fiscal programme aims to support the objective of reducing the public debt and debt servicing costs, thereby creating fiscal space to facilitate growth-inducing expenditure. Accordingly, programming to achieve no less than the required fiscal balance and the corresponding primary balance to ensure attainment of the legislated debt/GDP target has been pursued. The minimum required fiscal balance over the next three years to meet the legislated debt/GDP target is a deficit equivalent to 1.3% of GDP. Over the medium term the Government has therefore opted to pursue a Central Government fiscal balance surplus of $0.8bn (equivalent to 0.0% of GDP) for FY 2025/26, fiscal deficits of 0.9% in FY 2026/27 and FY 2027/28 followed by a deficit of 0.1% in FY 2028/29. A primary balance surplus of 5.1% of GDP is projected to be attained in FY 2025/26, with an average primary surplus of 3.4% of GDP projected over the medium term.

Revenue and Grants

The Revenue and Grants projection for FY 2025/26 is $1,096.1bn, reflecting an increase over the FY 2024/25 Third Supplementary Estimates of $1,1076.7bn by 1.8%, largely on account of Tax Revenue which is programmed at $949.5bn (27.3% of GDP). Tax Revenue is projected to account for 86.6% of total Revenue and Grants, reflecting an increase compared to 83.3% of the estimated outturn for FY 2024/25.

Table 3F: FY 2025/26 Revenue Forecast

	FY 2025/26 (J$bn)	FY 2024/25 (J$bn)	% Change
Revenue & Grants	1096.1	1,076.7	1.8%
Tax Revenue	949.5	897.0	5.9%
Non-Tax Revenue	139.8	174.0	-19.7%
Bauxite Levy	0.8	0.0	-
Capital Revenue	0	0	0.0%
Grants	6.0	5.7	4.4%

Source: MOFPS

Expenditure

Non-Debt Expenditure

The Central Government Non-Debt (above-the-line) Expenditure Budget is projected at $917.8bn, of which Recurrent Expenditure accounts for $855.2bn or 93.2% and Capital for $62.6bn or 6.8%. The projection for FY 2025/26 represents an increase of $31.5bn or 3.6% relative to the Non-Debt (above-the-line) expenditure reflected in the FY 2024/25 Third Supplementary Estimates.

Total Non-Debt Recurrent Expenditure comprises (a) Recurrent Programmes of $359.4bn and (b) Compensation of Employees of $495.8bn.

Recurrent Programmes

Included in Recurrent Programmes allocation of $359.4 billion is support to Public Bodies including the National Water Commission, the Jamaica Urban Transit Company, Transport Authority and Jamaica Commodity Regulatory Authority. An additional $2.0 billion is included in the Estimates as a loan to the Development Bank of Jamaica for on lending to businesses.

The allocation for Recurrent Programmes includes funding for the following key activities:

- $4.6 billion – Restoration and Maintenance of Major Roads and Gullies Programme
- $1.96 billion – Electoral Office of Jamaica for general elections due within the fiscal year

Compensation of Employees

The $495.8bn allocation for Compensation of Employees includes new rates of pay for several groups including medical consultants, parish judges and Probation/Aftercare officers; back pay due to medical consultants and the judiciary. The allocation includes a contingency of approximately $33.0 billion provided under the Ministry of Finance and the Public Service for further distribution across MDAs (through a Supplementary Budget) once definitive calculations in respect of the requirements for FY 2025/26 by each MDA is identified.

Capital Programmes

Capital Expenditure for the Central Government for FY 2025/26 is programmed to total $62.6bn. This includes a contingency provision of $2.1 billion to fund new public investment projects approved during the fiscal year. Allocation of the remaining $61.2bn has 49.0% going to the Ministry of Economic Growth and Job Creation to address major infrastructure projects already under implementation. These include: the Montego Bay Perimeter Road ($14.0 billion); the SPARK Programme ($8.0 billion); the Southern Coastal Highway Improvement Project ($2.5 billion); and the Construction of the Portmore Resilience Park ($2.5 billion).

Other Heads for which significant allocations are provided include:

1. Ministry of Health and Wellness - $10.2 billion, including $5.0 billion for Cornwall Regional Hospital; and $4.1 billion for the IDB supported Prevention & Care Management of Non-Communicable Diseases;
2. Office of the Prime Minister – $4.6 billion including $3.0 billion for the NIDS.
3. Ministry of Science, Energy, Telecommunications and Transport - $4.0 billion, including $3.2 billion for the procurement of new buses for the Jamaica Urban Transit Company;
4. Ministry of Education, Skills, Youth and Information - $4.2 billion, including $1.7 billion to the Primary and Secondary Schools Infrastructure Programme; and
5. Ministry of Agriculture, Fisheries and Mining - $3.7 billion, including $1.7 billion for the Essex Valley Irrigation Project.

Debt Servicing

Debt service costs for FY 2025/26 are projected at $340.3bn, equivalent to 35.5% of tax revenue compared to the 55.7% estimated for FY 2024/25. The debt service costs comprise amortization payments of $162.7bn, and interest payments of $177.5bn.

Public Debt

Prudent management of the public debt is essential to safeguard the gains made in reducing the public debt ratio and to maintain the current downward trajectory towards the legislated debt-to-GDP target of 60.0%, or less, by FY 2027/28. Over the medium term, the debt management strategy will continue to focus on realigning the debt portfolio in favour of local currency and, consequently, further mitigating foreign currency risk. The debt-to-GDP ratio is projected to fall from the estimated 68.7% at end-FY 2024/25 to 63.7% at end-FY 2025/26, and is expected to continue on a downward trajectory throughout the medium term to attain the legislated debt-to GDP target.

Table 3G: CENTRAL GOVERNMENT SUMMARY ACCOUNTS (JM$)

Item	Act. 2021/22	Act. 2022/23	Prov. 2023/24	Est. 2024/25	Proj. 2025/26	Proj. 2026/27	Proj. 2027/28	Proj 2028/29
Revenue & Grants	**720,224.5**	**827,775.1**	**925,283.0**	**1,076,686.1**	**1,096,083.1**	**1,103,375.0**	**1,167,089.0**	**1,236,432.8**
Tax Revenue	616,367.9	752,841.1	831,573.9	896,957.8	949,493.9	1,016,045.6	1,073,977.0	1,137,214.5
Non-Tax Revenue	92,828.0	67,327.4	83,780.8	174,017.2	139,816.4	79,558.4	83,737.2	88,113.6
Bauxite Levy	2,461.7	1,266.1	1,795.5	0.0	812.0	0.0	0.0	0.0
Capital Revenue	908.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants	7,658.5	6,340.6	8,132.9	5,711.0	5,960.8	7,771.1	9,374.7	11,104.8
Expenditure	**698,895.6**	**819,989.0**	**924,110.8**	**1,068,652.5**	**1,095,302.8**	**1,137,465.9**	**1,200,922.7**	**1,242,399.7**
Recurrent Expenditure	648,385.4	766,804.5	868,247.2	1,006,916.3	1,032,707.2	1,061,788.3	1,113,236.0	1,149,887.9
Programmes	269,586.5	277,303.4	292,463.8	370,698.1	359,375.3	364,550.7	388,324.3	411,435.4
Compensation of Employees	241,751.1	338,126.1	403,618.2	453,871.3	495,799.4	526,715.8	560,478.1	592,168.9
Wages & Salaries	222,484.2	317,884.6	378,213.2	424,684.6	463,431.5	493,641.8	526,209.5	556,369.2
Employers Contribution	19,266.9	20,241.5	25,405.0	29,186.7	32,367.9	33,074.0	34,268.6	35,799.6
Interest	137,047.8	151,375.0	172,165.3	182,346.8	177,532.5	170,521.7	164,433.6	146,283.6
Domestic	54,711.9	67,986.8	70,905.9	75,449.6	64,130.5	62,769.5	62,345.5	49,271.5
External	82,335.9	83,388.2	101,259.4	106,897.2	113,402.1	107,752.2	102,088.1	97,012.1
Capital Expenditure	50,510.2	53,184.5	55,863.5	61,736.2	62,595.6	75,677.6	87,686.7	92,511.8
Capital Programmes	50,510.2	53,184.5	55,863.5	61,736.2	62,595.6	75,677.6	87,686.7	92,511.8
Fiscal Balance (Surplus + / Deficit -)	**21,328.9**	**7,786.1**	**1,172.3**	**8,033.6**	**780.3**	**(34,090.8)**	**(33,833.8)**	**(5,966.9)**
Loan Receipts	**149,635.3**	**118,293.5**	**199,897.4**	**251,440.4**	**158,441.9**	**200,771.8**	**247,303.1**	**308,512.7**
Domestic	75,832.9	96,516.4	57,985.9	178,485.9	90,074.9	110,266.6	140,766.6	166,551.4
External	73,802.4	21,777.2	141,911.5	72,954.5	68,367.0	90,505.2	106,536.6	141,961.3
Other Inflows (inc'ds PCDF)	**3,268.0**	**4,876.6**	**24,208.7**	**15,545.8**	**4,946.0**	**7,288.3**	**7,158.0**	**7,282.0**
Other Outflows	**19,267.9**	**0.0**	**13,919.3**	**0.0**	**2,000.0**	**0.0**	**0.0**	**0.0**
Amortization	**159,791.1**	**161,630.7**	**137,571.6**	**317,370.4**	**162,746.2**	**173,969.3**	**220,627.3**	**309,827.9**
Domestic	72,368.0	115,419.9	21,692.9	170,756.4	59,574.7	40,388.2	82,268.4	165,871.9
External	87,423.1	46,210.7	115,878.8	146,614.1	103,171.5	133,581.1	138,359.0	143,956.0
Overall Balance (Surplus + / Deficit -)	**(4,826.8)**	**(30,674.4)**	**73,787.5**	**(42,350.6)**	**(578.0)**	**0.0**	**0.0**	**0.0**
Primary Balance (Surplus + / Deficit -)	**158,376.7**	**159,161.1**	**173,337.5**	**190,380.4**	**178,312.9**	**136,430.9**	**130,599.9**	**140,316.8**
Total Payments	**877,954.6**	**981,619.6**	**1,075,601.7**	**1,386,022.9**	**1,260,049.0**	**1,311,435.1**	**1,421,550.0**	**1,552,227.6**

Source: MOFPS

Table 3H: CENTRAL GOVERNMENT SUMMARY ACCOUNTS (% GDP)

Item	Act. 2021/22	Act. 2022/23	Prov. 2023/24	Est. 2024/25	Proj. 2025/26	Proj. 2026/27	Proj. 2027/28	Proj 2028/29
Revenue & Grants	**31.0%**	**30.1%**	**30.5%**	**33.7%**	**31.5%**	**29.7%**	**29.6%**	**29.6%**
Tax Revenue	26.5%	27.3%	27.5%	28.0%	27.3%	27.3%	27.2%	27.2%
Non-Tax Revenue	4.0%	2.4%	2.8%	5.4%	4.0%	2.1%	2.1%	2.1%
Bauxite Levy	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants	0.3%	0.2%	0.3%	0.2%	0.2%	0.2%	0.2%	0.3%
Expenditure	**30.1%**	**29.8%**	**30.5%**	**33.4%**	**31.5%**	**30.6%**	**30.4%**	**29.7%**
Recurrent Expenditure	27.9%	27.8%	28.7%	31.5%	29.7%	28.6%	28.2%	27.5%
Programmes	11.6%	10.1%	9.7%	11.6%	10.3%	9.8%	9.8%	9.8%
Compensation of Employees	10.4%	12.3%	13.3%	14.2%	14.2%	14.2%	14.2%	14.2%
Wages & Salaries	9.6%	11.5%	12.5%	13.3%	13.3%	13.3%	13.3%	13.3%
Employers Contribution	0.8%	0.7%	0.8%	0.9%	0.9%	0.9%	0.9%	0.9%
Interest	5.9%	5.5%	5.7%	5.7%	5.1%	4.6%	4.2%	3.5%
Domestic	2.4%	2.5%	2.3%	2.4%	1.8%	1.7%	1.6%	1.2%
External	3.5%	3.0%	3.3%	3.3%	3.3%	2.9%	2.6%	2.3%
Capital Expenditure	2.2%	1.9%	1.8%	1.9%	1.8%	2.0%	2.2%	2.2%
Capital Programmes	2.2%	1.9%	1.8%	1.9%	1.8%	2.0%	2.2%	2.2%
Fiscal Balance (Surplus + / Deficit -)	**0.9%**	**0.3%**	**0.0%**	**0.3%**	**0.0%**	**-0.9%**	**-0.9%**	**-0.1%**
Loan Receipts	**6.4%**	**4.3%**	**6.6%**	**7.9%**	**4.5%**	**5.4%**	**6.3%**	**7.4%**
Domestic	3.3%	3.5%	1.9%	5.6%	2.6%	3.0%	3.6%	4.0%
External	3.2%	0.8%	4.7%	2.3%	2.0%	2.4%	2.7%	3.4%
Other Inflows (inc'ds PCDF)	**0.1%**	**0.2%**	**0.8%**	**0.5%**	**0.1%**	**0.2%**	**0.2%**	**0.2%**
Other Outflows	**0.8%**	**0.0%**	**0.5%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**
Amortization	**6.9%**	**5.9%**	**4.5%**	**9.9%**	**4.7%**	**4.7%**	**5.6%**	**7.4%**
Domestic	3.1%	4.2%	0.7%	5.3%	1.7%	1.1%	2.1%	4.0%
External	3.8%	1.7%	3.8%	4.6%	3.0%	3.6%	3.5%	3.4%
Overall Balance (Surplus + / Deficit -)	**-0.2%**	**-1.1%**	**2.4%**	**-1.3%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
Primary Balance (Surplus + / Deficit -)	**6.8%**	**5.8%**	**5.7%**	**6.0%**	**5.1%**	**3.7%**	**3.3%**	**3.4%**
Total Payments	**37.8%**	**35.6%**	**35.5%**	**43.3%**	**36.2%**	**35.3%**	**36.0%**	**37.1%**
GDP	**2,322,192.7**	**2,753,529.5**	**3,029,089.9**	**3,198,791.2**	**3,482,361.6**	**3,719,014.0**	**3,944,014.3**	**4,182,627.2**

Source: MOFPS

FY 2025/26 BUDGET – SELF-FINANCING PUBLIC BODIES

The Group of SFPBs is projected to achieve an Overall Balance surplus of $20.3bn, a $32.9bn reduction on the estimated surplus of $53.2bn at March 31, 2025. While the SFPBs project mixed results, an increase in group capital expenditure from $58.2bn during FY 2024/25 to $102.9bn during FY 2025/26 is expected to drive the variance.

The National Housing Trust (NHT - $50.8bn) and the National Water Commission (NWC – $10.1bn) should account for 59.0% ($60.9bn) of the planned capital expenditure. The Port Authority of Jamaica (PAJ - $8.6bn), Housing Agency of Jamaica (HAJ - $5.9bn), Urban Development Corporation (UDC - $3.3bn) and Petrojam Limited ($2.4bn) will account for another $20.2bn (20%) of projected capital expenditure.

National Housing Trust (NHT)

The NHT will continue its efforts to facilitate increased access to housing solutions by contributors. Accordingly, the Trust plans to commence construction on 8,425 (FY 2024/25: 6,366) new housing solutions and to deliver a total of 3,111 (FY 2024/25: 2,754) during the year. This is expected to result in an increase of $15.4bn in the NHT's total housing expenditure to $46.6bn (FY 2024/25: the $31.3bn). Total housing expenditure is expected to account for 92.0% of the NHT's total capital expenditure.

The NHT's housing expenditure is to be financed from the repayment of mortgages and the receipt of contributions from employees and employers totalling $80.5bn (FY 2024/25: $78.0bn). The NHT also projects to incur mortgage interest rate subsidy costs of $10.6bn (FY 2024/25: $9.1bn) to facilitate funding of homes under its Joint Finance Mortgage Programme.

National Water Commission (NWC)

The NWC will continue the implementation of strategic initiatives and capital projects geared towards improving operational efficiency, expansion of coverage areas as well as service reliability. To this end, the NWC plans to undertake capital projects totalling $10.1bn (FY 2024/25: $2.5bn) with focus on:

i. The replacement of aged meters, metering of un-metered accounts and the installation of more accurate meters;
ii. Upgrade water supply and sewerage projects under the K-Factor Programme;
iii. The continued implementation of the water supply project for Greater Mandeville; and
iv. The improvement of major potable water transmission mains.

Transfers from the Central Government

For the budget year, several public bodies are expected to receive transfers totalling approximately $27.8bn (FY 2024/25: $45.6bn) from the Central Government mainly for budget support and capital programmes. Entities which should benefit include: the Jamaica Urban Transit Company (budgetary support - $10.96bn), the National Water Commission (capital expenditure - $10.0bn), the Universal Service Fund (programme support - $2.4bn) and the Transport Authority (budgetary support - $900mn).

Transfers to the Central Government

The Group of SFPBs is projected to transfer a total of $62.9bn (FY 2024/25: $76.4bn) to the Central Government by way of Financial Distributions, Special Distributions and Other Taxes. Transfers are projected from Petrojam Limited (special consumption tax and ad-valorem - $45.3bn); and the NHT (special financial distribution - $11.4bn).

Table 3I outlines the financial projection of the group of self-financing public bodies for FY 2025/26.

Table 3I: Summary of Financial Forecast for FY 2023/24 - Self-Financing Public Bodies (J$mn)

		Actual 2023/24	Original 2024/25	Estimated 2024/25	Projected 2025/26
Statement 'A' Flow of Funds					
1	Current Revenue	556,841.05	646,205.19	595,016.15	644,489.19
2	Current Expenses	(465,983.12)	(535,155.31)	(485,549.33)	(538,223.30)
3	Current Balance	90,857.93	111,049.89	109,466.82	106,265.88
4	Adjustments	3,425.22	27,918.63	(294.84)	16,981.78
	Change in Accounts	0.00	0.00	0.00	0.00
	Receivable/Payable	(716.72)	9,906.61	5,822.53	16,180.68
	Items not requiring outlay of cash:	0.00	0.00	0.00	0.00
	Depreciation	14,044.55	16,281.72	15,498.87	16,814.27
	Other Non-Cash Items	(9,902.61)	1,730.29	(21,616.25)	(16,013.18)
	Prior Year Adjustment	0.00	0.00	0.00	0.00
5	Operating Balance	94,283.16	138,968.51	109,171.98	123,247.66
6	Capital Account	99.42	(73,631.65)	(25,149.20)	(67,854.14)
	Revenue	37,688.11	30,643.58	31,604.31	32,901.56
	Expenditure	(50,488.10)	(96,442.72)	(58,238.46)	(102,852.14)
	Investment	(169.01)	(1,755.04)	(406.94)	(1,729.53)
	Change in Inventory	13,068.42	(6,077.48)	1,891.89	3,825.98
7	Transfers from Government	38,167.27	44,965.29	45,594.97	27,819.96
	Loans	0.00	0.00	0.00	0.00
	Equity	0.00	0.00	0.00	0.00
	On-Lending	0.00	0.00	0.00	0.00
	Other	38,167.27	44,965.29	45,594.97	27,819.96
8	Transfers to Government	(62,864.57)	(75,872.25)	(76,382.89)	(62,907.18)
	Dividend	(22,173.90)	(26,226.84)	(22,600.56)	(12,067.74)
	Loan Repayments	0.00	0.00	0.00	0.00
	Corporate Taxes	(1,190.40)	(1,853.99)	(1,399.33)	(1,918.25)
	Other	(39,500.27)	(47,791.43)	(52,383.00)	(48,921.19)
9	**OVERALL BALANCE (5+6+7+8)**	**69,685.27**	**34,429.90**	**53,234.86**	**20,306.30**
10	**FINANCING (11+15)**	**(69,685.27)**	**(34,429.90)**	**(53,234.86)**	**(20,306.30)**
10a	Total	(540.85)	6,537.43	146.48	3,887.62
	Capital Revenue	1,240.10	8,862.30	4,127.70	4,467.08
	Loans	1,450.00	1,683.33	0.00	3,262.00
	Equity	1,250.00	0.00	283.99	283.99
	On-Lending	0.00	1,250.00	(142.47)	408.33
	Loan Repayments	(4,480.95)	(5,258.21)	(4,122.74)	(4,533.78)
11	Total Foreign (12+13+14)	(26,612.75)	(31,377.40)	(30,343.75)	(16,744.13)
12	Government Guaranteed Loans	(21,580.35)	(26,564.85)	(28,067.47)	(2,275.84)
	Disbursement	6,835.84	0.00	0.00	0.00
	Amortization	(28,416.19)	(26,564.85)	(28,067.47)	(2,275.84)
13	Direct Loans	(5,032.40)	(4,812.55)	(2,276.28)	(14,468.29)
	Long Term:	(1,900.19)	(574.11)	(2,270.29)	(1,700.73)
	Disbursement	53.75	415.00	24.51	400.00
	Amortisation	(1,953.94)	(989.11)	(2,294.80)	(2,100.73)
	Short Term:	0.00	0.00	(6.00)	(12,767.56)
	Change in Trade Credits	(3,132.21)	(4,238.44)	(6.00)	(12,767.56)
14	Change in Deposits Abroad	0.00	0.00	0.00	0.00
15	Total Domestic (16+17+18)	(42,531.67)	(9,589.93)	(23,037.59)	(7,449.79)
16	Banking System	(19,792.10)	26,136.82	8,381.63	20,400.61
	Loans (Change)	570.03	2,265.37	(4,893.43)	(750.80)
	Overdraft (Change)	(1.54)	0.00	0.00	0.00
	Deposits (Change)	(20,360.60)	23,871.45	13,275.06	21,151.41
17	Non-Banks (Change)	0.00	0.00	0.00	0.00
18	Other (Change)	(22,739.57)	(35,726.75)	(31,419.22)	(27,850.40)

Source: MOFPS

APPENDIX I

Medium-Term Expenditure Profile 2023/2024 - 2028/2029

Table IA - Non-Debt Recurrent Expenditure Profile

$'000

Heads	Revised Estimates 2023/2024	Revised Estimates 2024/2025	Provisional Expenditure 2024/2025 Apr–Dec	Estimates of Expenditure 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029
His Excellency the Governor-General and Staff	523,906	706,557	479,771	**630,703**	647,439	665,061	683,614
Houses of Parliament	2,880,124	2,420,619	1,613,413	**2,549,830**	2,566,553	2,585,195	2,604,806
Office of the Public Defender	383,345	351,542	201,837	**356,717**	357,193	365,079	372,936
Auditor General	1,363,541	1,483,916	1,019,034	**1,453,155**	1,468,045	1,485,030	1,503,185
Office of the Services Commissions	491,220	553,620	389,490	**584,538**	587,145	589,847	592,723
Office of the Children's Advocate	368,594	439,272	302,907	**434,480**	441,559	449,199	457,190
Independent Commission of Investigations	832,222	985,707	621,942	**979,028**	990,082	1,002,108	1,014,575
Integrity Commission	1,532,626	1,827,297	1,164,675	**1,991,801**	2,035,806	2,082,876	2,133,636
Independent Fiscal Commission	18,879	107,616	16,649	**448,491**	460,012	473,177	487,595
Office of the Prime Minister	17,182,746	19,579,310	14,673,124	**19,663,630**	17,613,888	17,863,489	18,126,995
Office of the Cabinet	918,738	758,611	536,836	**834,067**	844,290	855,065	866,424
Ministry of Tourism	12,707,080	15,677,548	12,574,892	**16,025,693**	16,642,728	17,351,106	18,103,687
Ministry of Economic Growth and Job Creation	18,995,678	31,570,951	24,926,482	**35,538,497**	20,457,949	21,066,920	21,713,551
Ministry of Finance and Public Service	113,575,278	107,572,960	77,944,803	**146,205,866**	197,353,630	242,220,721	288,692,757
Ministry of National Security	134,022,567	158,808,100	116,147,915	**154,865,598**	156,652,677	158,533,572	160,529,707
Ministry of Legal and Constitutional Affairs	1,035,340	1,382,464	829,973	**1,598,736**	1,630,392	1,668,630	1,708,958
Ministry of Justice	14,804,398	17,169,559	11,611,805	**20,097,394**	20,457,373	20,850,323	21,294,039
Ministry of Foreign Affairs and Foreign Trade	8,449,793	6,696,838	5,156,430	**7,355,278**	7,629,314	8,049,110	8,518,046
Ministry of Labour and Social Security	16,836,591	20,610,998	15,084,579	**21,338,020**	20,407,145	20,574,972	20,753,166
Ministry of Education, Skills, Youth and Information	168,096,453	199,165,582	143,145,348	**183,528,919**	182,882,385	183,414,298	183,972,861
Ministry of Health and Wellness	130,857,701	149,313,466	108,071,927	**155,642,960**	155,268,737	157,896,837	160,561,940
Ministry of Culture, Gender, Entertainment and Sport	5,865,887	6,760,502	4,641,293	**6,760,502**	6,759,886	6,925,129	7,137,499
Ministry of Agriculture and Fisheries and Mining	13,647,076	17,497,265	13,372,921	**16,908,661**	16,578,174	16,905,212	17,250,958
Ministry of Industry, Investment and Commerce	6,048,868	7,410,526	5,353,022	**7,509,395**	7,597,535	7,806,933	8,038,064
Ministry of Science, Energy and Technology	1,220,106	-	-	**-**	-	-	-
Ministry of Transport and Mining	2,861,523	-	-	**-**	-	-	-
Ministry of Science, Energy, Telecommunications and Transport	19,910,189	27,483,464	18,055,955	**29,981,471**	28,598,828	29,860,791	31,186,302

Ministry of Local Government and Community Development	26,025,528	28,235,167	19,424,215	**23,891,226**	24,337,793	24,806,687	25,299,026
TOTAL RECURRENT	**721,455,997**	**824,569,457**	**597,361,238**	**857,174,656**	**891,266,558**	**946,347,367**	**1,003,604,240**

Medium-Term Expenditure Profile 2023/2024 - 2028/2029

Table IB - Non-Debt Capital Profile

$'000

HEADS	**Revised Estimates 2023/2024**	**Revised Estimates 2024/2025**	**Provisional Expenditure 2024/2025 Apr–Dec**	**Estimates of Expenditure 2025/2026**	**Projected 2026/2027**	**Projected 2027/2028**	**Projected 2028/2029**
Office of the Prime Minister	2,969,993	4,735,167	2,466,273	4,574,003	-	-	-
Ministry of Economic Growth and Job Creation	31,686,453	30,898,210	18,181,408	30,552,096	34,552,395	19,105,110	2,491,881
Ministry of Finance and Public Service	4,051,336	1,848,949	1,157,035	2,643,535	8,503,015	50,805,405	82,197,842
Ministry of National Security	5,110,400	3,672,537	2,676,914	1,836,580	1,621,332	150,000	-
Ministry of Justice	35,000	128,250	47,239	195,681	88,000	-	-
Ministry of Labour and Social Security	-	62,239	-	135,000	760,000	1,076,000	921,000
Ministry of Education and Youth	768,646	1,571,515	752,298	4,243,236	5,271,155	4,905,900	3,512,464
Ministry of Health and Wellness	6,050,331	6,929,586	3,896,411	10,182,696	16,351,910	9,810,410	2,245,000
Ministry of Agriculture and Fisheries and Mining	5,449,275	4,245,208	3,034,819	3,720,116	4,329,798	1,833,914	1,143,601
Ministry of Industry, Investment and Commerce	801,384	315,962	276,431	-	-	-	-
Ministry of Science, Energy and Technology	10,437	-	-	-	-	-	-
Ministry of Transport and Mining	417,894	-	-	-	-	-	-
Ministry of Science, Energy, Telecommunications and Transport	1,089,799	4,892,756	3,477,432	4,512,617	4,200,000	-	-
Ministry of Local Government and Community Development	586,365	2,435,870	741,853	-	-	-	-
TOTAL CAPITAL	**59,027,313**	**61,736,249**	**36,708,113**	**62,595,560**	**75,677,605**	**87,686,739**	**92,511,788**

Medium-Term Expenditure Profile 2023/2024 - 2028/2029

Table IC – Recurrent Economic Classification

$'000

Object Classification	Revised Estimates 2023/2024	Revised Estimates 2024/2025	Estimates of Expenditure 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029
Compensation of Employees	**403,618,180**	**453,871,328**	**495,799,373**	**526,715,822**	**560,478,079**	**592,168,873**
Recurrent Programmes (of which:)	**317,837,817**	**370,69,129**	**361,375,283**	**364,550,736**	**385,869,288**	**411,435,367**
Travel Expenses and Subsistence	10,668,595	13,423,992	14,563,579	14,103,866	14,219,939	14,451,795
Rental of Property and Machinery	8,145,534	9,664,068	11,916,079	12,461,884	13,156,375	13,935,976
Utilities and Communication Services	15,877,685	18,656,059	19,851,823	20,586,561	21,551,857	22,670,128
Use of Goods and Services	78,186,992	104,666,878	127,110,086	125,217,982	132,178,505	139,057,325
Grants, Contributions and Subsidies	105,428,288	132,178,469	88,062,967	75,961,911	77,640,208	79,586,146
Retirement Benefits	43,101,285	46,392,905	47,050,627	49,359,561	51,783,718	54,323,834
Awards and Social Assistance	25,058,880	29,018,632	29,896,206	28,811,166	28,820,047	28,831,929
Others (Fixed Assets, Land Purchase, etc.)	31,370,558	16,697,126	20,923,916	38,047,805	46,518,639	58,578,234
Below the Line			2,000,000			
TOTAL RECURRENT	**721,455,997**	**824,569,457**	**857,174,656**	**891,266,558**	**946,347,367**	**1,003,604,240**

Medium-Term Expenditure Profile 2023/2024 - 2028/2029
Table ID - Functional Classification of Expenditure (Recurrent & Capital)

$'000

	FUNCTIONAL CLASSIFICATION	Revised Estimates 2023/2024	Revised Estimates 2024/2025	Estimates of Expenditure 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029
1	**General Public Services**						
1	Executive and Legislative Services	8,492,561	9,885,919	11,698,360	8,872,101	9,192,205	9,390,767
2	Economic and Fiscal Policies Management	56,775,726	45,660,392	84,307,640	132,952,091	174,875,709	218,184,859
3	Personnel Management	9,724,815	10,419,627	10,386,173	10,472,675	10,553,595	10,711,031
4	Foreign Affairs	8,449,793	6,696,838	7,355,278	7,629,314	8,049,110	8,518,046
5	Economic Planning and Statistical Services	6,019,012	5,753,982	4,451,324	4,559,869	4,998,815	5,459,586
6	Public Works	809,843	1,120,641	791,887	719,025	719,169	719,320
7	Public Debt Management Services, Internal Debt	93,284,558	246,205,988	123,705,201	103,157,667	144,613,907	215,143,401
8	Public Debt Management Services, External Debt	218,070,208	253,511,290	216,573,561	241,333,312	240,447,036	240,968,126
99	Other General Public Services	67,785,343	73,206,751	84,501,635	78,116,241	123,340,8	157,638,537
	Total General Public Services	**469,411,859**	**652,461,428**	**543,771,059**	**587,812,295**	**716,790,387**	**866,733,673**
2	**Defence Affairs and Services**						
1	Military Defence	47,486,902	45,206,573	45,416,980	45,914,404	46,421,803	46,956,786
	Total Defence Affairs and Services	**47,486,902**	**45,206,573**	**45,416,980**	**45,914,404**	**46,421,803**	**46,956,786**
3	**Public Order and Safety**						
1	Police Services	80,796,217	103,664,846	96,991,480	97,863,666	97,552,559	98,622,633
3	Law Courts	14,839,398	17,297,809	20,293,075	20,545,373	20,850,323	21,294,039
4	Correctional Services	10,849,848	13,609,218	14,293,718	14,495,939	14,709,210	14,950,288
	Total Public Order and Safety	**106,485,463**	**134,571,873**	**131,578,273**	**132,904,978**	**133,112,092**	**134,866,960**
4	**Economic Affairs**						
1	Industry and Commerce	8,199,876	10,305,148	9,207,773	7,597,535	7,806,933	8,038,064
2	Labour Relations and Employment Services	3,112,156	3,484,658	3,633,544	3,716,845	3,806,092	3,901,788
3	Agriculture, Forestry and Fishing	21,651,823	24,660,288	23,614,338	23,875,921	21,736,003	21,422,005
4	Fuel and Energy	1,143,481	1,561,901	3,201,871	867,759	884,652	902,385
5	Mining, Manufacturing and Construction	342,474	431,288	433,017	441,596	450,599	460,046
6	Road Construction and Repairs	37,860,177	45,291,014	37,709,484	37,858,109	23,726,002	8,315,928
7	Road Transport	10,502,232	16,031,869	15,253,317	16,854,877	13,407,625	14,190,509
8	Rail Transport	237,209	239,110	251,066	263,619	276,800	290,640
9	Shipping, Ports and Lighthouses	405,816	457,131	457,131	457,131	457,131	457,131
10	Civil Aviation	6,396,609	7,714,274	8,489,901	8,524,062	8,804,934	9,092,339
11	Postal Services	3,437,887	4,066,653	4,309,921	4,059,461	4,106,776	4,156,457
12	Telecommunication Services	5,779,637	5,514,482	6,146,940	6,321,363	6,511,558	6,711,123
13	Tourism	12,785,619	15,849,996	16,178,141	16,802,176	17,510,554	18,263,135
14	Physical Planning and Development	1,057,607	918,182	1,431,825	2,452,523	2,477,415	2,139,148
15	Scientific and Technological Services	1,458,410	1,513,247	1,508,616	1,523,581	1,546,388	1,570,385
99	Other Economic Affairs	11,042	44,737	9,090	9,165	9,245	9,328
	Total Economic Affairs	**114,382,055**	**138,083,978**	**131,835,975**	**131,625,723**	**113,518,707**	**99,920,411**
5	**Environmental Protection and Conservation**						
1	Solid Waste Management	5,668,978	7,848,813	3,544,811	3,694,324	3,850,584	4,014,657
3	Pollution Abatement	31,852	35,699	34,559	20,443	21,290	21,868
4	Protection of Biodiversity and Landscape	2,030,105	3,058,724	4,497,817	2,601,006	1,679,961	1,712,462
99	Other Environmental Protection and Conservation	287,647	567,417	483,702	170,000	-	-
	Total Environmental Protection and Conservation	**8,018,582**	**11,510,653**	**8,560,889**	**6,485,773**	**5,551,835**	**5,748,987**
6	**Housing and Community Amenities**						
1	Housing Development	1,324,585	1,138,049	1,522,171	1,693,962	1,736,043	1,780,571
2	Community Development	12,982,484	16,041,041	14,139,699	14,252,750	14,371,453	14,496,092
3	Water Supply Services	1,012,032	1,482,430	1,770,918	3,303,796	3,337,604	2,921,932

Total Housing and Community Amenities	**15,319,101**	**18,661,520**	**17,432,788**	**19,250,508**	**19,445,100**	**19,198,595**

Medium-Term Expenditure Profile 2023/2024 - 2028/2029
Table ID - Functional Classification of Expenditure (Recurrent & Capital) (cont'd)

$'000

	FUNCTIONAL CLASSIFICATION	Revised Estimates 2023/2024	Revised Estimates 2024/2025	Estimates of Expenditure 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029
7	**Health Affairs and Services**						
1	Health Administration	18,925,390	22,286,656	27,687,091	34,213,875	28,245,548	21,208,158
4	Hospital Services	10,373,717	11,451,715	12,563,771	11,440,463	11,486,109	11,534,042
5	Public Health Services	107,608,925	122,504,681	125,574,794	125,966,309	127,975,590	130,064,740
	Total Health Affairs and Services	**136,908,032**	**156,243,052**	**165,825,656**	**171,620,647**	**167,707,247**	**162,806,940**
8	**Recreation, Culture and Religion**						
1	Recreational and Sporting Services	784,326	1,023,124	996,477	1,010,868	1,010,868	1,060,868
2	Art and Cultural Services	2,742,300	3,094,594	3,022,356	3,037,362	3,057,055	3,146,165
3	Broadcasting and Publishing Services	2,017,319	2,179,514	2,225,292	2,269,854	2,318,972	2,370,375
5	Youth Development Services	258,057	319,575	267,509	273,878	280,568	287,593
	Total Recreation, Culture and Religion	**5,802,002**	**6,616,807**	**6,511,634**	**6,591,962**	**6,667,463**	**6,865,001**
9	**Education Affairs and Services**						
1	Education Administration	12,442,504	20,065,744	14,999,087	13,928,169	14,013,598	14,101,721
2	Pre-Primary Education	7,504,834	7,648,850	7,356,735	7,372,456	7,388,963	7,406,295
3	Primary Education	47,165,594	54,329,655	52,622,463	52,688,170	52,757,162	52,898,858
4	Secondary Education	51,934,885	61,603,334	58,740,202	59,974,817	59,738,000	58,463,589
5	Tertiary Education	28,425,118	34,897,994	30,705,454	30,719,242	30,737,917	30,757,525
6	Education Not Definable by Level	1,908,101	2,143,393	2,296,065	2,117,111	2,119,111	2,121,111
7	Subsidiary Services to Education	14,756,061	13,872,249	13,493,454	13,704,874	13,807,811	13,865,154
	Total Education Affairs and Services	**164,137,097**	**194,561,219**	**180,213,460**	**180,504,839**	**180,562,562**	**179,614,253**
10	**Social Security and Welfare Services**						
1	Sickness and Disabled	475,488	496,067	537,453	547,893	558,857	570,367
2	Senior Citizens	579,488	1,156,219	1,159,958	1,163,462	1,167,141	1,171,005
3	Survivors Assistance	740,386	2,072,444	1,752,339	663,666	664,010	664,368
4	Family and Children	4,469,945	5,134,443	5,197,157	5,236,232	5,289,359	5,344,367
99	Other Social Security and Welfare Services	17,621,676	19,246,708	20,255,357	21,112,760	21,638,486	21,765,842
	Total Social Security and Welfare Services	**23,886,983**	**28,105,881**	**28,902,264**	**28,724,013**	**29,317,853**	**29,515,949**
	Total	**1,091,838,076**	**1,386,022,984**	**1,260,048,978**	**311,435,142**	**1,419,095,049**	**1,552,227,555**

APPENDIX II

Developments in the Financial Sector

Introduction

During FY 2024/25, the Ministry of Finance and the Public Service (MoFPS) in collaboration with its key stakeholders continued to pursue key reforms to strengthen the legislative and regulatory framework of the financial sector to ensure the resilience and stability of the financial system. Under the purview of the Financial Regulations Division, the Ministry made notable legislative achievements including the passage of the Financial Services Commission (Amendment) Bill, the tabling in Parliament of the Financial Investigations Division (Amendment) Bill and the Financial Institutions (Resolution and Winding Up) Bill, as detailed below. Several other pieces of key legislation are at an advanced stage of the drafting process.

In addition, the scaling down of the operations of the Financial Sector Adjustment Company (FINSAC) Limited and Financial Institutions Services (FIS) Limited continued, whilst the Financial Investigations Division (FID) continued to pursue its mandate to deter the use of Jamaica's economy for money laundering and other financial crimes thereby contributing to a stable financial sector.

Financial Regulations Division (FRD)

The status of key legislative matters pursued during FY 2024/2025 is as follows:

1) **Financial Services Commission (FSC) Act**

The Financial Services Commission (Amendment) Bill was passed in the Lower House in October 2024, in the Upper House in November 2024, and assented by the Governor-General on November 21, 2024. The amendments seek to facilitate development of the regime for consolidated supervision of non-deposit taking institutions groups.

2) Financial Investigation Division (FID) Act

The Financial Investigation Division (Amendment) Bill was tabled in Parliament in September 2024. The proposed amendments seek to ensure that the FID Act is consistent with the Financial Action Task Force/ Caribbean Financial Action Task Force (FATF/CFATF) standards and guidelines of the Egmont Group[4] relating to information sharing.

[4] The Egmont Group is a global organization that facilitates the exchange of information, knowledge, and cooperation amongst member financial intelligence units (FIUs). The Egmont Group provides FIUs with a platform to securely exchange expertise and financial intelligence to combat money laundering, terrorist financing, and associated predicate crimes.

3) Proposed Financial Institutions (Resolution and Winding Up) Act

The Financial Institutions (Resolution and Winding Up) Bill was tabled in the upper House on June 28, 2024. The proposed legislation is intended to enhance the resilience and stability of the financial system by providing a framework to address the resolution and winding up of financial institutions in an orderly way that minimizes the resort to public funds whilst preserving vital economic functions.

4) Insurance Act and Regulations

The Insurance (Amendment) Bill and accompanying Notices continued through the iterative process, with the issuance of additional drafting instructions to the Office of the Parliamentary Counsel (OPC) to revise the Bill and Notices on January 10, 2025. The proposed amendments seek to, among other things, amend the Insurance legislation to facilitate the creation of a microinsurance legislative framework.

5) Private Sector Pensions Reform

The Income Tax (Amendment) Bill and Pensions (Superannuation Funds & Retirement Schemes) (Repeal and Replacement) Bill have progressed considerably. The MOFPS is awaiting comments from stakeholders. The second phase of private sector pension reform seeks to ensure that there is an adequate level of pension benefits, foster security of benefits for participants and ensure an effectively regulated private pensions industry by the FSC.

6) Payment Clearing Settlement Act

The Payment Clearing Settlement (Amendment) Bill was advanced with the receipt of the revised Bill from the OPC on October 17, 2024 which was forwarded to the Bank of Jamaica (BOJ) for comments. The MOFPS has sought clarification from the BOJ on the feedback received. The proposed amendments seek to enhance the legal and regulatory framework for payment service providers (PSPs).

7) Bank of Jamaica (BOJ) Act

The MOFPS received Cabinet's approval in respect of the proposals to amend the Bank of Jamaica Act to deal with money or value transfer services (MVTS) by way of Decision dated November 25, 2024. Subsequently, drafting instructions were prepared and issued to the OPC to draft the necessary legislation.

8) Bank of Jamaica (BOJ) Act

The Bank of Jamaica (Amendment) Bill regarding proposals to address the eligibility criteria for appointments continued through the iterative process, with the receipt of the revised Bill from the OPC on June 16, 2024. The BOJ is reviewing the Bill.

9) Proposed Credit Union (Special Provisions) Act

A meeting was held on October 23, 2024 between the Minister of Finance and representatives of the BOJ and the Jamaica Cooperatives Credit Union League (JCCUL) to address outstanding policy matters in relation to the Credit Union (Special Provisions) Bill It is expected that once the outstanding policy matters are settled, the process for finalisation of the Bill will be pursued. The proposed legislation seeks to place credit unions under the regulatory purview of the BOJ.

10) Twin Peaks Model of Financial Regulation

Subsequent to the receipt of comments from the BOJ in October 2024, consultations commenced with the AGC, the OPC, the Legal Reform Department (LRD), the Ministry of Industry, Investment and Commerce (MIIC) and the Office of Utilities Regulation (OUR). Comments on the draft Bill have been received from the OPC, the LRD and the OUR. The "Twin Peaks" regulatory model seeks to address the regulation of the financial sector into two broad functions: prudential supervision and consumer protection and market conduct supervision, with distinct authorities for each function.

11) Virtual Assets and Virtual Assets Service Providers

Subsequent to the receipt of Cabinet's approval of the proposals for a regulatory framework for virtual assets and virtual assets service providers in September 2024, the MOPFS received proposed instructions for consideration from the FSC in November 2024. The MOFPS sought clarification from the FSC in January 2025 and is awaiting their feedback to finalize the drafting instructions for issue to the OPC.

12) Securities (Conduct of Business) Regulations

With the passage of the Financial Services Commission (Amendment) Bill in November 2024, finalization of the Securities (Conduct of Business) Regulations is pending the gazetting of the Appointed Day Notice to give effect to the FSC (Amendment) Act. The proposed amendments seek to strengthen the market conduct requirements for securities dealers in order to strengthen the standards of market and professional conduct in the securities industry.

Financial Sector Adjustment Company Ltd and Financial Institutions Services Ltd

The achievements of FINSAC/FIS during FY 2024/2025 are as follows:

1) The audited financial statements of both companies for the year ended March 31, 2024 were completed and submitted to the MOFPS on July 30, 2024. The annual general meeting was held on November 14, 2024.

2) Sale of all listed *bona vacantia* shares has been completed, and net proceeds together with dividends being held will be transferred to the Accountant General as the beneficial owner.

3) There are three outstanding litigation matters, namely:

   a) *Matter No.1*
   In this case, a former customer of a bank acquired by FINSAC in its intervention in the financial sector was successful in his claim for wrongful withdrawal of funds by the bank from his foreign currency accounts. The matter went through the local courts to the Privy Council which ruled that the amounts should be refunded along with interest and that the bank should cover 50% of the customer's Privy Council costs. The judgment sum with interest and a portion of the costs have since been paid.

   b) *Matter No.2*
   This original claim by FINSAC was for lack of fiduciary duty against the former executive. Following the dismissal in 2022 by the Privy Council of his appeal on a preliminary matter, September 25, 2024 was set as the date to commence the new appeal as ordered by the Court of Appeal. This was aborted as the attorney for the appellant was not well, and thus a new date has been requested from the Court. In the meantime, a proposal to discontinue the matter was presented to FINSAC and is being considered.

   c) *Matter No.3*
   In this case, a company sued FINSAC and its subsidiaries for selling its property below value to a connected government company. When this case started, there was a Court Order, in a different matter, for this company to be wound-up. Although this Order was appealed, the parties have not pursued the matter any further. FINSAC'S attorney is seeking to have this appeal dismissed for want of prosecution. Upon dismissal the original decision to wind-up the company will stand which means the

company did not have the legal status at the time to commence this claim and thus, the case against FINSAC *et al* will be dismissed.

4) Under the relevant Pension Regulations, advertisements were done for 5 years seeking to locate beneficiaries of the various Jamaica Mutual Life pension schemes. Thereafter, a Court Order was obtained in July 2023 requiring further advertisements via various media for three months. On completion, accounts were reconciled and in August 2024, unclaimed funds for just over 200 beneficiaries were transferred to the Accountant General.

   It has been determined that there are close to 200 additional beneficiaries who cannot be located and advertisements were again undertaken for them over three months ending in December 2024. The Administrator is in the process of reconciling these accounts, and it is expected that these unclaimed balances will be transferred to the Accountant General prior to March 31, 2025.

5) For FIS, there are two matters to be resolved before an application may be filed to delist the company. Firstly, the two remaining properties in the Century litigation are to be sold and/or transferred to the Commissioner of Lands (COL). A date has been set in February 2025 to consider further extending the Order for Sale for these properties. Transfer to COL will be undertaken if sale is not achieved at the next auction.

   Secondly, the winding up of Jamaica Grande Limited for which FIS is the majority shareholder. An extra-ordinary general meeting was held in September 2024 at which the shareholders passed a resolution to wind-up the company and appoint a Trustee to pursue the liquidation. The Articles of the company require all shareholders to approve the winding-up and one of the shareholders cannot be located. The court documents have been filed and an initial date has been set in February 2025 to hear the matter. If the Court Order is granted in February 2025, it is expected that the liquidation process will be completed by mid-year during which, surplus funds will be distributed to the shareholders.

Financial Investigations Division

During the review period, the FID continued to pursue its mandates under the Financial Investigations Division Act (FIDA), the Proceeds of Crimes Act (POCA), the Terrorism Prevention Act (TPA) and the United Nations Security Council Resolutions Implementation Act (UNSCRIA) to strengthen Jamaica’s Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) framework. Notable achievements of the FID include:

<u>Anti-Money Laundering/Combating the Financing of Terrorism/Counter Proliferation Financing (AML/CFT/ CPF)</u>

1) **Increased use of Proceeds of Crime Act**

The FID continued to coordinate with other law enforcement agencies such as the Jamaica Constabulary Force (JCF) to produce quality cases. This was evident by Jamaica being awarded third place for the case submitted to the Caribbean Financial Action Task Force best case competition at the CFATF plenary held in December 2024. In that case, the defendant was sentenced to nine months imprisonment after he pleaded guilty to two counts of corruption and six counts of possession of criminal property before the Parish Court. The defendant was also slapped with a forfeiture order under section 5(3)(a) of the POCA for assets totaling approximately J$40m comprising cash in local currency and United States dollars, cash held in a savings account with a local commercial bank and credit union and three motor vehicles.

2) **FID Enabled Reporting Entities**

a) In June 2024, the FID hosted stakeholder engagements with approximately 80 representatives from the reporting entities, which included the sensitization of the entities on the upcoming 2026 CFATF onsite mutual Evaluation, *inter alia*.

b) For the year ended December 31, 2024, 1,018 (2023: 237) attorneys registered on the goAML platform representing a 329 % increase over 2023. This was achieved through a collaborative effort with the General Legal Council and the Financial Intelligence Unit. The goAML platform is an online system for filing Suspicious and Threshold Transactions Reports.

c) For the year ended December 31, 2024, 1,696 (2023: 776) reporting entities registered on the goAML platform, representing a 118% increase compared to 2023. The FID received and processed 112,412 (2023: 101,715) reports as follows:

<u>Under POCA</u>

- *Suspicious Transaction Report - 3,464*
- *Threshold Transaction Report - 101,976*
- *Authorised Disclosure Reports (Request to Consent) – 64*

<u>Under TPA</u>

- *TPA compliance report - 3,467*

<u>Under UNSCRIA</u>

- *UNSCRIA reports - 3,441*

3) **Asset Recovery Agency (ARA) Actions**

Effective May 31, 2024, in line with its mandate of taking the profit out of crime, the FID/ARA finalised and approved the Asset Recovery Branch's Procedural Manual and Standard Operating Procedures (SOPs) for all assets except digital currencies. The Agency pursued multiple actions that led to the forfeiture and disposal of assets and realised $21.67m from the sale of a forfeited real property. The sale of others is at an advanced stage of completion.

4) **Legislative**

The Financial Investigations (Amendment) Bill was tabled in Parliament in September 2024. The Bill seeks to ensure the operational independence and autonomy of the FID, in accordance with the FATF, as well as permit the FID to enter into arrangements with EGMONT to fulfil its obligations under FATF and as a member of EGMONT.

Proposed Areas of Focus for Fiscal Year 2025/26

Financial Regulations Division

1) The enactment of legislation for
   - The second phase of private sector pension reform to address issues such as vesting, portability and indexation;
   - The implementation of a regulatory framework for virtual assets and virtual asset service providers;
   - The implementation of a regulatory framework for the "Twin Peaks" model for financial regulation;
   - The supervision of credit unions by the Bank of Jamaica.
2) Legislative amendments to:
   - Insurance Act to *inter alia*, facilitate the creation of a microinsurance legislative framework;
   - Bank of Jamaica Act to develop framework for eligibility criteria for appointments;
   - Bank of Jamaica Act to develop framework for money or value transfer services;
   - Payment Clearing Settlement Act to enhance the legal and regulatory framework for PSPs.

Financial Sector Adjustment Company / Financial Institutions Services Limited

The two staff will continue to manage the legacy operations with particular focus on:-

1) For FINSAC:

- Preparation of audited accounts for year ending March 31, 2025;
- Liaising with attorneys on various litigation matters, including payment of costs in one case, if any and settlement or pursuing appeal in the Court of Appeal in another matter;
- Finalising and arranging the transfer of unclaimed pension funds to the Accountant General; and
- Pursuing remaining activities of both companies with a view to winding-up by the end of next financial year.

2) For FIS:
   - Preparation of audited accounts for year ending March 31, 2025;
   - Effecting sale or transfer to the Commissioner of Lands of the two unsold Century properties; and
   - Following-up on Court hearing to appoint a Trustee who will undertake liquidation of Jamaica Grande Limited and distribute surplus funds to shareholders, and thereafter, apply to strike-off the company.

Financial Investigation Division

1) Enhance Jamaica's AML/CFT/CPF framework and prepare for CFAFT Mutual Evaluation in 2026. The evaluation period is (2022 to 2025). To this end, the FID will:
   - Complete assigned areas for the AML/CFT National Risk Assessment;
   - Continue stakeholder engagements with reporting entities concerning their AML/CFT reporting obligations;
   - Continue to expand the use of the POCA across law enforcement agencies, which will lead to an increase in money laundering charges and convictions;
   - Continue drive to dispose of forfeited assets through the Asset Recovery Agency.

2) Improving Service Delivery:
   - Upgrade of the goAML platform to enhance the analytical, reporting, and monitoring capabilities of the system.

APPENDIX III

STRATEGIC HUMAN RESOURCE MANAGEMENT

HR POLICY AND INFORMATION MANAGEMENT

During FY 2024/25 the programme priorities focused on, inter alia:

- Providing technical support for the review of the Public Service Regulations by preparing and coordinating with stakeholders for employee performance management interventions in the public sector.

- Supporting public entities by providing them with policy advice and assistance in the preparation of human resource manuals and related policies, such as flexible work arrangements.

    - FY 2022/23 - 28 Human Resource (HR) manuals and other related documents reviewed, and timely feedback provided as required.
    - FY 2023/24 - 42 Human Resource (HR) manuals and other related documents reviewed, and timely feedback provided as required.

PROGRAMME PRIORITY AREAS FOR FY 2025/26:

- Supporting the development and implementation of national human resource policies as required;

- Supporting public entities by providing policy advice and assistance in the preparation of human resource manuals and related policies

- Providing technical support to the Public Sector Transformation Programme by preparing and coordinating with stakeholders for employee performance management interventions in the public sector.

HUMAN CAPITAL DEVELOPMENT

Marcus Garvey Public Sector Scholarship Programme

The Marcus Garvey Public Sector Graduate Scholarship Programme is a core element of the Government of Jamaica's *Human Capital Development* strategy, which seeks to build organizational capacity throughout the public sector. Now in its fourth year, a total of sixty-eight (68) public sector workers have been awarded the Scholarship. The leading thematic areas being pursued by the awardees are Education, Public Health, Engineering and National Security.

Applications are now open for intake of the fifth cohort (2025/26 academic year). The thematic areas have been expanded to include Graduate Studies in ***Legal Drafting, Public Financial Management, Economics/Fiscal Policy*** and ***Data Analytics*.**

GOJ Stem Programme

In 2023 the Government launched a 5-year Science, Technology, Engineering and Mathematics (STEM) scholarship programme tenable at the Mico University College and the University of Technology, Jamaica.

The Programme is expected to increase the capacity of Mico-trained STEM educators by 1,250 over five cohorts, with a view to delivering an adequate supply to the Jamaican school system. To date, 425 students have been registered and accepted to pursue the Bachelor of Education Degree with specialization in Science, Computer Science, Mathematics, Geography & Environmental Studies, Industrial Technology and Family & Consumer Science.

The UTECH STEM Programme aims at strengthening tertiary capacity and delivering 1,000 STEM graduates over the period. The Programme targets applicants from disadvantaged populations and communities across Jamaica. As at January 2025, 384 students have been registered to pursue degrees in Computer Science, Gaming, Engineering, Applied Artificial Intelligence, Animation Production & Development and Computer Network & Security.

These Programmes include a mechanism to ensure that the scholarship recipients commit to working in Jamaica and contribute to national development after completing their studies.

PRIORITY AREAS FOR FY 2025/26

- Sensitization of targeted MDAs on Workforce Planning and HR Analytics.
- Development of training strategies and capacity building programmes for targeted MDAs.

Establishment, Compensation And Benefits

Compensation Restructure

The Government of Jamaica implemented the Compensation Restructure with all 36 or 100 percent of Public Sector Unions/Staff Associations. The implementation of the Compensation Restructure covered three (3) years commencing April 1, 2022, and each ensuing April thereafter until full implementation in fiscal year 2024/2025.

Flowing from the Compensation Restructure, two (2) policies were developed for use in the Public Sector. The Policies include Extra Hours Worked (EHW) and Uniform Policy for Public Sector Workers with implemention dates of August 1, 2024 and April 1, 2024 respectively. The Policies were established to provide a guiding framework on compensating employees for extra hours of work performed; and to standardize uniform provision across the Public Sector respectively.

Industrial Harmony

Industrial harmony was maintained at 95 percent as projected and a similar level is also projected for the 2025/2026 fiscal year. The continued engagement of all stakeholders remains key to the maintenance of harmony in the Public Sector.

MAJOR ACTIVITY FOR FY 2025/2026

Collective Bargaining

The implementation of the Compensation Restructure over the three years period April 1, 2022 to March 31, 2025, resulted in the next wage contract period being identified as commencing on April 1, 2025. As such some Trade Unions/Staff Associations have submitted claims seeking improvements in salaries/wages and fringe benefits to Public Sector Workers.

The Ministry, thus far, has received eleven (11) claims to include Jamaica Civil Service Association (JCSA), Jamaica Confederation of Trade Unions (JCTU), Jamaica Teachers' Association (JTA), Police Officers' Association (POA) and groups within the Health Sector. The Government has commenced discussions with the Unions/Associations for the new contract period.

CORPORATE MANAGEMENT & ESTABLISHMENT BRANCH

Major On-Going Activities

Post Establishment

- ***Facilitating transition of fixed contract staff:*** 13,749 unapproved or temporary arrangements were made permanent across the establishments of the Jamaica Constabulary Force, Regional Health Authorities, Educational Institutions and UTECH, NSWMA, and Local Authorities.

- **Foremost MDAs in the pipeline** for establishment of posts are Jamaica Fire Brigade and, Sport Development Corporation.

Organizational Review

- **Establishment of the Ministry of Education, Skills, Youth and Information and any other activities emanating from anticipated/impending Assignment of Subjects** (i.e. transfer of posts/functions).

- ***Major Organizational Development Interventions:*** On-going review of Houses of Parliament (HOP), Ministry of Local Government and Community Development (MLGCD), Rural Water Supply Ltd (RWSL) and Office of Disaster Preparedness and Emergency Management (ODPEM), among 60+ smaller active reviews across GOJ. These include but are not limited to phased reviews which have commenced/continued for service-wide entities.

- ***Supporting Transformation and Rationalization of Public Sector:*** Key developments include the establishment of the Independent Fiscal Commission (IFC), the extension of the Citizen Security Plan Secretariat, integration of the Legal Aid Council into the Ministry of Justice, and organizational reviews and job evaluation exercises across the Student Loan Bureau (SLB), Auditor General's Department (AuGD), the Accountant General's Department (AGD), Electoral Commission of Jamaica (ECJ), Cabinet Recording Secretariat at the Office of the Cabinet, Jamaica Civil Aviation Authority, Transport Authority (TA) and Jamaica Urban Transit Company (JUTC).

- Reviews for the Sports Development Fund (SDF), Institute of Jamaica (IOJ), National Council on Education (NCE), and Child Protection and Family Services Agency (CPFSA) await stakeholder feedback at ministry levels and requisite authorizations at Cabinet/legislative levels.

Compensation Restructure Public Sector Compensation Restructuring Implementation Monitoring and Evaluation

- ***Resolution of Anomalies:*** Priority has been given to resolving anomalous operational issues arising from the GOJ Compensation Review, which had disenfranchised staff or affected operational stability and industrial harmony. Significant progress has been made with resolutions in Ministry of Labour and Social Security (MLSS), Planning Institute of Jamaica (PIOJ), Firearms Licensing Authority (FLA), Passport, Immigration and Citizenship Agency (PICA), Jamaica Cultural Development Commission (JCDC), and Women's Centre of Jamaica Foundation (WCFJ), through on-going coordination with the TIU to address outstanding issues for other organizations, most notably at the moment the Jamaica Customs Agency.

- ***Implementation of J-Factor System:*** Job Evaluation Tool adopted, Job Evaluation SOP developed, draft Job Analysis process; related processes being refined and implemented across remainder of fiscal year.

Civil Service Establishment Act Order

- ***(General) Order, 2024*** has been approved, published and distributed since being passed in the HOP in Q3 of 2024.

- ***(Amendment) Order, 2025:*** The database is being updated, and stakeholders are being consulted to refine future establishment publications. This includes efforts to identify and definitively abolish vacant posts which were scheduled for abolition when vacant, aligning with changes in institutional arrangements and recommendations from past organizational reviews.

PROGRAM PRIORITY AREAS FOR FY 2025/26:

In the upcoming fiscal year, the Corporate Management Establishment Branch's (CMEB) program priorities include:

- **Review Staffing and Organizational capacity** in relation to:
    - Permanent Secretaries and Office Corporate Services (including HR, Procurement, Customer Service and Occupational Health and Safety.) in keeping with feedback from Ministries, and/or approval of policy instruments.
    - Implementation of Occupational Health and Safety Model Structure for GOJ.

- Continued reviews, representation, and seeking approval for new/enhanced/adjusted organizational arrangements supporting GOJ's mandate to create a more robust, agile, effective, and responsive Public Service.

- **Public Sector Monitoring**

  - Revise Post Audit Programmes to include monitoring the availability of up-to-date, validated job descriptions for all established posts across all GOJ entities.

  - The absence of job descriptions will be documented as post audit queries to encourage improved record-keeping, organizational practices, and accountability at both the post-holder and organizational levels.

    - This initiative aims to lay the groundwork for future monitoring of organizational and business process frameworks across the GOJ, and their fitness and effectiveness in service delivery.

    - While job descriptions are crucial, the future state of Strategic Human Resource Management demands even more comprehensive documentation of the Business Process Management Frameworks and attendant documents, including Standard Operating Procedures (SOPs) for each services provided by each GOJ entity, to strengthen national institutions and enable easier identification of duplication, elimination of waste, and standardizing practice to consistently deliver service in keeping with established service standards, and o public expectations.

    - An enhanced document is crucial for success particularly in improving the efficiency and effectiveness of organizational review processes and enabling enhanced performance management and accountability.

- **Development of policy position** on, inter alia:

  - Technology integration and its implications for job, structural and process design.
  - Management of expenditure on organizational review exercises
  - Governance of the relationship between GOJ and private organizational development consultants to maximize value of consultancy outputs.

PENSION ADMINISTRATION

Transfer of Pension Payment Function From Ministry of Local Government & Community Development (MLGCD) To The Accountant General's Department (AGD)

Approximately 80.0 percent of the documentation to facilitate the streamlining was submitted to the Accountant General's Department. The streamlining will be implemented on a phased basis commencing January 2025 with the Portmore Municipal Corporation.

Pension Administration Training Programme

The Pension Administration course was developed to aid Human Resource/Pension Practitioners in using the Public Employee Pension Administration System (PEPAS) and improve efficiency in preparing Pension Submissions. A MoU was established with the University of West Indies Global Campus (UWIGC) and in the first year, 75 practitioners were trained and 50 certified.

Public Employee Pension Administration System (Pepas)

New PEPAS workflows were created and Internal System Controls were implemented such as "first in first out" (FIFO) case processing.

Customer Engagement

There were 37 outreach sessions conducted to educate targeted retirees/Public Sector employees on retiring benefits and procedures. A 90.0 percent satisfaction rate was achieved from customer surveys. The call abandonment rate was reduced by an average of 15.0 percent.

LEGISLATIVE/POLICY UPDATE

Draft contributions to the amendment of the Pension (Public Service) Act have been completed and reviewed. A Pension Increase has been granted by Cabinet for FY 2024/25.

PRIORITY AREAS FOR FY 2025/26:

- Public Employees' Pension Administration System (PEPAS) Workflow Enhancements
- Re-engineering the Pension Workflow process to reduce processing time by three (3) months
- Transfer Pension Administrative Function from the Ministry of Local Government and Community Development (MLGCD) to the MOFPS by March 2026.
- Establish a Compliance and Monitoring Unit to enhance quality assurance in the pension process.

- Sensitization of targeted MDAs on the Pension Administration Process and retirement benefits.
- Sponsor 50 Pension/HR Practitioners from targeted MDAs to participate in the Pension Administration Course offered by the UWI.
- Automate Customer Service Delivery/Implement technology-driven customer service

APPENDIX IV

TAX PROGRAMME

TAX ADMINISTRATION JAMAICA

Tax Administration Jamaica (TAJ) collects the majority[5] of Jamaica's total taxes, in keeping with its mandate to collect the revenue that's due and to promote voluntary compliance. Revenue collections have, in recent years, continued to increase, corresponding with growth in the economy. Positive revenue buoyancy can be attributed to the continuous strengthening of the Authority's risk-based tax compliance programmes, taxpayer service and education, and enforcement strategies in keeping with the rule of law.

The Authority continues to be transformed through improvements and digitization of its core processes including technology improvements that strengthen its efficiency and effectiveness as it pursues achievement of the vision of being *"A World Class Tax Administration".*

FY 2024/25 PERFORMANCE (UP TO DECEMBER 31, 2024)

Collections

Net collections for the period April to December 2024 amounted to $381.7bn, which was 97.6 percent of the period's target ($390.9bn), and represents an increase of $20.2bn or 5.6 percent above the corresponding period of FY 2023/24.

Compliance

Taxpayer compliance is monitored across the four arms of compliance, namely: registration, filing, payment and correct reporting. Each year compliance risk programmes are developed and implemented to address compliance risks identified. The results of the activities from these programmes at end-December 2024 are reported below.

- **Taxpayer registration:** Increased by 2.4 percent, with the taxpayer population moving from 294,694 (end-FY 2023/24) to 301,658.
- **On-time-filing rate:** The on-time filling rate is 59.2 percent. This is a decrease of 2.7 percent, when compared to the same period last year (61.9 percent).
- **On-time payment rate:** This examines the value of the tax liability that is paid on-time. The on-time payment rate of 97.0 percent, decreased by 1.4 percent when compared to last fiscal year (98.4 percent).

[5] TAJ collects on average 67.0 percent of Jamaica's total taxes.

- **Stock of arrears:** At the end of December 2024, despite efforts to reduce the stock of arrears, it increased by $28.7bn, moving from $230.9bn to $259.6bn. Compliance efforts accounted for the collection of $16.5bn of arrears.
- **Audit coverage:** With a targeted audit coverage of 8.5 percent and 6.0 percent for large taxpayers and medium taxpayers respectively, as at December 2024, there was a 2.7 percent coverage for the large taxpayers and 2.3 percent coverage for the medium taxpayers.

Products and Services

During FY 2024/25, TAJ expanded the payment options available to taxpayers, and improved services as follows.

- Implemented the motor vehicle registration certificate renewal online payment.
- Received policy approval to implement the Jamaica Central Bank Digital Currency (JAMDEX) via the NCB wallet on TAJ's portal.
- Implemented the police record fee using the TAJ's mobile app.
- Operationalized the Reverse Income Tax Credit (RITC), paying out approximately $7.0bn as at December 2024. TAJ also implemented a Reverse Income Tax Credit (RITC) Hub, available on the TAJ portal, to facilitate ease of information to taxpayers and Frequently Asked Questions.
- TAJ passed the annual surveillance audits for four locations currently targeted for ISO 9001 quality management system implementation, namely: St. Andrew Revenue Service Centre (RSC), Spanish Town RSC, May Pen RSC and Falmouth Tax Office. This represents a positive milestone in TAJ's strategic focus, to improve service delivery.
- Implemented processes to support the National Identification System (NIDS) pilot enrolment.

Structural Improvements

TAJ has six medium term infrastructure projects[6] with phased executions scheduled for FY 2024/25. At the end of December 2024, consultancy work had advanced for the Mandeville RSC (MegaMart), Nuttall Property (Cross Roads), Kingston RSC (BNS - King Street) and Montego Bay RSC. Christiana is scheduled to be completed by the second quarter of FY 2025/26, and the Browns Town Tax Office working drawings are in progress.

Seven renovation/upgrading projects programmed for FY 2024/25 continue to be executed as planned.

[6] Kingston RSC (BNS Building- King Street), Browns Town Tax Office, Cross Roads (Nuttall Property), Montego Bay RSC, Christiana Tax Office, and Mandeville RSC (MegaMart)

Legal Framework

TAJ's legal services continue to provide support in advancing the Authority's strategic objectives, by guiding and providing legal opinions and advice upon request. This supports strategic initiatives and programmes, enabling the Authority to act within the context of the law. Technical support and guidance continue to be provided internally and externally, especially in the passage and amendment of legislation, that remain in progress over the medium term. Legislative priorities to which TAJ contributes include:

- *Review and update of the Income Tax Act* - this is done to reduce ambiguity in the interpretation, and the application of this legislation to ensure Jamaica remains up to date with international standards.
- *The Large Scale Projects and Activities Pioneers Act* - this regime will give effect to a suite of fiscal incentives designed to attract beneficial investments from large scale entities, with new ideas and development.
- *Review and update of the GCT Act & Excise Act* - this is to ensure that Jamaica's consumption laws address new changes in the international landscape, and to eliminate ambiguity when interpreting and applying the rule of law.

Along with contributing to legislative amendments, legal work continues on:

- Legal reviews to increase the use of liens, garnishments, and set offs as a collection mechanism.
- Increasing prosecution of tax evasion cases, and increased collaboration with the Financial Investigation Division, in keeping with the Proceeds of Crime Act (POCA).
- Standardizing Data Sharing or Partnership Arrangements, pursuant to the Data Protection Act.
- Utilizing the multinational tax arrangements, with specific emphasis on Transfer Pricing and Exchange of Information (EOI).
- Continued compliance with the Automatic Exchange of Information (AEOI) international standards, and on-going peer reviews.

FY 2025/26 Onwards

For FY 2025/26, TAJ will continue to pursue its mission, as the Authority executes its rolling medium term strategic focus targeting: (i) Human resource; Environment; Access to services; Responsiveness; and Technological advancements. Key strategic initiatives include:

- Major upgrade of the Revenue Administration Information System (RAiS), driven by new industry standards, client recommendations, and new functionalities to include: (i) an e-Services Assistant Chat Bot (ii) an integrated Client Relationship Management System (iii) an appointment and queuing system, and (iv) Financial Data Exchange

(FATCA & AEOI) system configuration, to enable the implementation of financial data exchange with foreign jurisdictions, among others.

- Modernization of key processes to include phased implementation of paperless processes, and a new electronic learning management system.
- Enhancing the taxpayers and staff experience, by: (i) renovating and upgrading tax offices, and (ii) improving our infrastructure, working conditions, and environment.
- Reengineering mission critical processes, to include Revenue Accounts, for greater efficiencies.
- Adoption of digital tools and technologies.
- Improving voluntary tax compliance by enhancing the health of key components of the tax system, across the continuum of taxpayer registration, filing, payment and accurate reporting. TAJ will (i) broaden its tax compliance risk identification (ii) expand the tax compliance strategy to include critical sectors (iii) strengthen the application & ease of understanding of domestic tax laws (i.e. with proactive taxpayer education & outreach), and (iv) strengthen voluntary compliance.

JAMAICA CUSTOMS AGENCY

Introduction

The Jamaica Customs Agency (JCA contributes significantly to the Government of Jamaica's (GOJ) revenue, collecting approximately 33.0% annually. This positions the agency as a vital stakeholder in achieving the objectives outlined in the National Development Plan, Vision 2030. The JCA is steadfast in its commitment to fulfilling its mandates under Trade Facilitation: implementing strategic initiatives designed to improve efficiency and the ease of doing business; Revenue Collection: securing the financial resources necessary for the government to meet its policy and service delivery goals and Border Protection: safeguarding Jamaica's border to ensure the welfare and security of the nation. These mandates are integral to Jamaica's socio-economic development, underpinning the government's ability to deliver on its priorities and policies.

Operating Environment

The JCA endeavours to secure the international trade supply chain ecosystem, thereby facilitating the business environment, and as such enabling sustainability of businesses by promoting ethics in business conduct of all stakeholders and leading to efficacy in facilitating the cross-border movement of people and cargo.

Achievements: April 2024 to December 2024

Revenue Collection

Merchandise trade accounted for 90.0% of the projected revenue, amounting to $202.3bn, while international travel contributed 10.0% or $21.7bn. Actual revenue from merchandise trade reached $205.8bn, exceeding the budget by $3.4bn or 2.0%, driven by key sectors such as mineral fuels and oils, motor vehicles and their parts, household furniture, food and beverages, cigarettes, and building products. Year-on-year, merchandise trade revenue grew by $7.1bn or 4.0% from the $198.7bn recorded in the previous fiscal year. Other notable contributors included perfumery, cosmetics, tobacco products, and industrial items such as paint and varnishes. Despite weather-related shocks during the second quarter, which dampened economic activity, merchandise trade processed for the domestic market totalled $910.7bn, reflecting a marginal growth of $9.8bn or 1.0% compared to $900.9bn for the same period in 2023.

The GOJ's support for productive sectors through the Productive Input Relief (PIR) Regime continued, with the JCA processing tax expenditures totalling $133.8bn for the year to date, a modest increase of $0.7bn or 0.5% over the $133.1bn recorded in the previous year. Despite the value of tax expenditure processed, the JCA maintained its revenue collection efficiency.

In the absence of unfavourable events or economic shocks, the JCA is expected to end the fiscal year strongly, as it continues to pursue its innovation agenda to enhance trade facilitation and strengthen revenue assurance mechanisms.

Trade Facilitation

Planned Stakeholder Engagements

The JCA concluded the period with 64 stakeholder engagements, exceeding its fiscal year target of 50 engagements. By leveraging diverse mediums, including technology, the Agency effectively connected with its clients, demonstrating its commitment to fostering strong relationships and raising awareness of customs processes. Key agency planned initiatives executed include parish-based engagement, Customs Meets the Community (CMC) – Town and Community Tour Edition which saw the Agency visiting locations in Kingston and St. Andrew on August 16th educating the public on customs processes and services. Another client-centric engagement was the Customs Business Interaction (CBI) conducted on September 30th led by the Commissioner, which provided an opportunity for operational insights to be shared with Tools Hardware and Supplies Limited and a feedback mechanism on the impact the Agency's processes and services have on client's productivity. Further, these engagements are essential in providing inputs for the Agency to facilitate continuous improvement of its processes and services.

Promoting and continuously working with existing members of the Authorized Economic Operator (AEO) programme is vital to raising the compliance bar in international trade. The Agency for the period facilitated 26 AEO sessions with prominent companies across various industries and sectors, fostering discussions on compliance and operational efficiency. These sessions provided valuable awareness and reinforced the JCA's commitment to promoting seamless trade practices to support the nation's trade and economic growth. Additionally, appreciating the nexus between compliance and trade facilitation, the Agency held 3 Post Clearance Audit (PCA) sessions, and 3 Valuation Awareness sessions geared towards commercial importers and their associated Customs Brokers and/or agents. The sessions, while distinct in objectives, holistically provide for specific operational/service-related matters on both sides to be aired and addressed. The outcome from these engagements is an improvement in declarations submitted by clients and improved processing efficiency by the JCA.

The Jamaica Customs Agency (JCA) hosted a delegation from St. Vincent and the Grenadines Customs & Excise Department, along with Public and Private Sector entities from the island for an extensive benchmarking mission. The visit, scheduled from July 15 to July 19, aimed to share best practices as St. Vincent and the Grenadines seek to implement a Single Window for Trade.

Technology and Digitalization

The JCA has continued to lead the implementation of the Jamaica Single Window for Trade (JSWIFT), a platform aimed at digitizing international trade-related (permit, license and certificate) services for Border Regulatory Agencies (BRAs). A demonstration of the adoption of the technological services has seen 10,410 users registered on JSWIFT ending December 2024. A combined 86 import and export services have been digitalized for the 12 Border Regulatory Authorities (BRAs) that have been successfully on-boarded. For the reported period 41,976, 715 and 2,971, permits, licenses and certificates respectively have been processed yielding $0.7Bn in revenue and/or fees collected. Approximately 20 services became available for public use between April 2024 to December 2024, signalling the commitment to increase efficiency and reduce the cost of doing business with the GOJ. The domino effect of the increased digitalization of the BRAs' regulatory requirement processes has resulted in the increased efficiency in the declaration & documentary process of the JCA stemming from the effectiveness achieved from the digital transfer and reference of the permits, licenses and certificates.

Operational Performance

The aforementioned efficiencies realized cumulated in a 3.0% increase in the number of commercial declarations documentarily processed within 20 hours of submission, the established charter standard, for the comparable periods. The Agency received 125,255 commercial declarations of which 113,637 or 91.0% were documentarily processed compared to 121,492 commercial declarations of which 106,430 or approximately 88% were documentarily processed from April 2023 to December 2023. The Agency continues to perform above the targeted standard of 85.0% of commercial declarations documentarily processed within the standard timeframe.

Passenger arrivals across the three (3) international airports, the Donald Sangster International Airport (DSIA), Norman Manley International Airport (NMIA) and Ian Flemming International Airport (IFIA), totalled 2,436,663 arrivals at the main passenger terminals, a relative 240,406 passengers or 9.0% decline comparably. On average passengers utilizing the green channel were processed within 32 seconds while those crossing the border through the red channel were processed within 2 minutes and 39 seconds. The Agency has a passenger processing time charter standard of an average 3 minutes for the red channel and 30 seconds for the green providing no irregularities are identified during processing or detailed examination of luggage required due to dutiable items declared or found.

Border Protection

The unwavering fight against transnational crimes continues and in response, the Agency has further bolstered its border protection mechanism, implementing intelligence-driven, strategic and tactical operations and initiatives to deter the illicit penetration of the country's official borders. These activities include; enhancements in risk management capabilities, commissioning of new technologies and infrastructure, advancing the modernization of the Non-Intrusive Inspection (NII) programme as well as continued partnership and collaboration with other law enforcement entities. The yielded results are testaments of the effectiveness of the Agency's border protection machinery. The number of illicit/contraband seizures recorded from April 2024 to December 2024, was 629 seizures. This was an increase of 183 seizures or 41% when compared to the previous year's same period. Narcotics seizures accounted for 162 of the seizures from April 2024 to December 2024, registering a 12.5% increase compared to 144 for the comparative period. Assessing the type of narcotics seized cocaine, marijuana and ganja seed recorded 96, 61 and 5 seizures respectively for the reporting period in comparison to 43, 68, and 31 seizures for the same type of narcotics, April 2023 to December 2023, with the addition of 2 hashish seizures.

The thrust to reduce gun violence, improve the reputation of Jamaica and further position the country as a place to live, raise families and do business requires vigilance and a robust detection system at the borders. Over the review period, April 2024 to December 2024 the 91 firearms were seized m compared to 16 firearms in the similar period of the previous year. Other related apparatus seized included 165 to 24 magazines and 5,109 to 3,371 ammunition seized for the aforementioned comparative periods respectively.

However, cigarettes saw a sharp decline, with 1,162,076 sticks seized from April 2024 to December 2024, down from 4,598,599 sticks seized comparatively, a likely result of deterrent measures implemented. Combating financial crime is also part of the Agency's agenda. For the review period, 336 debit/credit cards were seized, a 21.3% increase compared to 277 cards seized for the same period last year. For the period April 2024 to December 2024, cash seizures included 43,408 USD and 7,000 EUROs. In contrast, in 2023 the same period recorded £15,965 and 8,850 JMD cash seizures.

Legislative Reform (Customs Act, Regulations and Rules):

Customs Bill 2024

The Customs Bill was presented to the Senate at the end of December 2024, with significant amendments, including those for Advance Rulings, and circulated to relevant parties for review.

Governance and Sustainability Framework Enhancements

The critical role of the Agency in meeting the demands of the domestic economy cannot be understated. Hence, plans for downside risks are paramount. The Agency developed a Business Continuity Plan (BCP) along with a Crisis Communication Plan (CCP) in r 2024. Having accomplished the development of its Enterprise Risk Management (ERM) Framework in the prior fiscal year, the Agency is focused on its Implementation. The activities for the period were geared towards developing the infrastructure and mechanisms to support the operationalization of the ERM function in the Agency.

Human Resource Management and Development

Irrespective of the technological advancements made by the Agency, delivering optimum services and maintaining high standards require a robust workforce; hence, recruitment remains a priority for the Agency. At the end of December 2024, the number of posts filled was 1,413 or approximately 81% of the establishment of 1,752 posts. However, the staff complement reported for the period was 1,437 staff with females accounting for 896 staff or approximately 62.0% in comparison to males netting 541 staff or 38.0%. The Agency administered and/or facilitated 122 training interventions (local and overseas) geared toward enhancing customs-related skills and improving the soft and emotional skills of staff.

APPENDIX IV

PUBLIC SECTOR INVESTMENT PROGRAMME (PSIP)

The Government of Jamaica (GOJ) Public Sector Investment Programme (PSIP) is a rolling five-year plan of Cabinet-approved new and ongoing public investment projects.

The PSIP is the main output of the Public Investment Management System (PIMS) which seeks to improve implementation efficiency and the effectiveness of public investment projects as part of the Government of Jamaica's Public Financial Management Reform Programme. The PIMS processes cover all stages of the project life cycle and apply to all public investment projects within the Specified Public Sector, irrespective of the source of funding, type of procurement, or implementation modality.

Financing of the PSIP 2025/2026-2029/2030

The PSIP is financed by a combination of government funds, loans, and grants from International Development Partners as well as from equity provided by Self Financing Public Bodies. The table below shows the projected combined expenditure by the Central Government and Public Bodies over the medium term.

Summary of PSIP Financing

Financial Year	Loan/Debt ($'000)	Grant ($'000)	Consolidated Fund ($'000)	Equity ($'000)	Total ($'000)
2025/2026	18,754,745	4,682,125	50,502,875	46,268,931	120,208,676
2026/2027	16,596,983	1,620,954	67,095,793	57,839,416	143,153,146
2027/2028	5,654,175	200,000	82,367,564	65,157,402	153,379,141
2028/2029	3,432,666	0	89,079,122	51,370,051	143,881,839
2029/2030	2,439,355	0	96,078,646	34,301,970	132,819,971

For FY 2025/2026, a total sum of $120.21bn in expenditure is being projected to facilitate the implementation of 145 public investment projects across the Central Government (CG) and Self-Financing Public Bodies (SFPB). Three (3) of the investment projects are being implemented through public-private partnerships (PPPs).

The CG will commence/continue the execution of 40 investment projects utilizing an allocation of $62.60bn in FY 2025/26. This allocation includes a contingency provision of $2.09bn under Head 20000C, Ministry of Finance and the Public Service, representing the fiscal space available within the Central Government Expenditure Budget to support the implementation of new projects following screening, appraisal and Cabinet approval, as required by the Financial Administration and Audit Act.

Within the CG investment programme, the Ministry of Economic Growth & Job Creation (MEGJC) has been allocated 51.9% of the total allocation for FY 2025/26, and the Ministry of Health & Wellness (MOHW) 15.7%. Other notable allocations include the Office of the Prime Minister (OPM) 7.17% and the Ministry of Science, Energy, Telecommunications and Transport (MSETT) 6.85%.

Public Bodies are scheduled to commence/continue implementation of 145 investment projects (excluding those to be implemented via Public Private Partnerships (PPPs), utilizing an allocation of $37.89bn. These public investment projects will be implemented by nine (9) Public Bodies.

Approximately $34.50bn (92%) of the funding for projects being implemented by the PBs will be provided from revenues generated by the entities or from the Consolidated Fund, while the remaining $3.11bn (8%) will be financed from loans/grants.

The National Housing Trust accounts for 63% of the PB investment budget and the National Water Commission (NWC) 18%.

Three (3) of the projects with a combined investment of $19.7bn are to be implemented as Public Private Partnerships (PPPs).

Highlights of the investments that are programmed for implementation in key areas of the public sector during fiscal year 2025/26 are provided below.

NATIONAL SECURITY

The Ministry of National Security continues to implement projects aimed at reducing crime and violence, improving public security, and addressing the overall welfare of officers particularly office accommodation for the Jamaica Constabulary Force (JCF).

The projects implemented during FY 2024/25 focused on enhancing the efficiency and effectiveness of the Jamaica Constabulary Force (JCF) and the Jamaica Defence Force (JDF) in the maintenance of law and order. For FY 2025/26, two of the four projects will complete project closure activities while the remaining two projects will continue construction of divisional headquarters in Westmoreland and St Catherine North.

The projects slated to continue implementation in FY 2025/26 include:

Security Strengthening Project: The objective of this project is to contribute to an increase in the number of prosecutions resulting from police investigation of murders and training of police officers in the use of technology in crime fighting.

In the 2024/2025 fiscal year, the project was allocated $644.93 million in the Estimates of Expenditure, to facilitate outstanding procurement of hardware, software, and a management information system for improving the investigative capacity of the police. A management information system (MIS) for the Department of Correctional Services (DCS) was also procured to improve the management and control of information within that organization.

For FY 2025/26 $19.58 million has been allocated to continue closing out activities such as making final payments to contractors and consultants, completing final audits and project closure reports, and formally handing over the information systems to the various entities.

Construction of the Westmoreland Police Divisional Headquarters – In FY 2024/25 this project was allocated the sum of $882.0 million to commence construction of the Westmoreland Police Divisional Headquarters after interruptions to the procurement process during the previous fiscal year. The allocation was increased to $1.15bn in the 3rd Supplementary Estimates due to faster-than-programmed project execution.

For FY 2025/2026 the sum of $1.03bn has been allocated in the Estimates of Expenditure to continue the construction of the building which will house the divisional headquarters. The allocation is expected to fund the completion of the superstructure, roofing, electricals and HVAC systems, plumbing and sanitary fixtures, external works, road and parking areas.

Construction of the St. Catherine North Police Divisional Headquarters **–** In FY 2024/25 the project was allocated a sum of $990.0 million to commence construction of the building to house the St Catherine North Divisional headquarters. However, the proposed construction site was inundated with water for an extended period which delayed the site preparation and actual construction. With the lengthy delays impacting the commencement of construction, the allocation was reduced to $555.12 million in the 3rd Supplementary Estimates 2024/25.

For FY 2025/26 the sum of $700.0 million has been allocated to continue addressing the drainage issue at the construction site and commence the erection of the building superstructure to achieve 30% completion.

SOCIAL SECTOR

The ***Jamaica Social Investment Fund (JSIF) -*** The JSIF has been mandated to manage the implementation of small-scale community-based projects that seek to address some of the socio-economic needs of at-risk communities across Jamaica.

For FY 2024/25, the JSIF was allocated $4.14bn to execute six (6) projects: – (i) Integrated Community Development Project; (ii) Jamaica Disaster Vulnerability Reduction; (iii) Rural Economic Development Initiative: (iv) School Infrastructure Improvement Project; (v) Capacity Building for Education and Livelihoods Development Project and (vi) Rural Community Access and Drainage Improvement Project. The allocation was reduced to $3.39bn in the 2024/25 Supplementary Estimates due to the slow pace of execution of some of the projects.

For FY 2025/26 the allocation of $1.69bn to JSIF will be used to implement activities in four (4) projects: A summary of two (2) of the four (4) projects is provided below:

Integrated Community Development Project II – The objective of this project is to enhance access to basic urban infrastructure and social services in seven (7) communities across four (4) Parishes.

During the 2024/25 fiscal year, interventions continued under the project in the communities of Greenwich Town, Anchovy, August Town, Lethe, Salt Spring, and Norwood. The interventions included the construction of safe passages for schools, rehabilitation of schools, creation of green spaces, rehabilitation of roadways, and regularization of water/sewerage services.

For the 2025/26 fiscal year, the project will complete interventions in Anchovy, Norwood, and Salt Spring and carry out final audits and project closure.

Rural Economic Development Initiative – This project aims to improve market access for micro, small, and medium-size businesses linked to agricultural and tourism sectors as well as relevant public sector institutions and partner entities by the provision of infrastructure, capacity building, and marketing services.

During FY 2024/25 the project was allocated $1.3bn for the continued development and approval of several sub-projects/interventions and to procure the services of contractors to commence implementation. However, the execution of sub-project activities was affected by the slow development and approval of sub-projects and procurement of contractors. As a result, the allocation was reduced to $834.82 million in the FY2024/25 Supplementary Estimates.

For FY 2025/26, the project has been allocated $650.0 million to complete the provision of infrastructure support for six (6) agriculture-related sub-projects. These include the completion of a tilapia hatchery, the establishment of a cold storage facility, supplying greenhouse and drip irrigation equipment, and the provision of agricultural inputs for women, and youth, as well as relief for persons affected by Hurricane Beryl.

EDUCATION

During the 2024/25 fiscal year, the Ministry of Education, Skills, Youth and Information (MOESYI) was allocated a total of $1.94bn to execute five (5) projects. The allocation was, however, reduced to $1.57bn due to the underperformance of the Ministry's projects portfolio. For the 2025/26 fiscal year, an allocation of $4.24bn is proposed to support the projects under implementation.

Establishment of Diagnostic Centre – This project was allocated the sum of $180 million in the 2024/25 fiscal year, however, the final procurement under the project which involves the construction and equipping of a diagnostic centre at the College of Agriculture, Science and Education (CASE) had to be retendered. As a result, the entire provision was reallocated to other projects.

For the 2025/2026 fiscal year, the project has been allocated $180 million to facilitate construction and equipping of the diagnostic centre.

Education Transformation Programme (ETP) – The current focus of the project is to construct additional classrooms and sanitary facilities to remove the shift system and reduce overcrowding at the Mount Saint Joseph High School in Manchester.

The project was allocated $514.0 million in the fiscal year 2024/25 to construct the additional 3rd and 4th form classroom blocks, administrative offices, and complete designs for the construction of a new auditorium and a canteen. The allocation was subsequently reduced to $298.12 million because the contract was awarded late in the fiscal year and did not require the level of funding originally anticipated.

For fiscal year 2025/2026, the project has been allocated $853.74 million and is scheduled to continue construction of the 3rd and 4th form classroom blocks and the administrative offices, and to commence and complete construction of the auditorium and canteen buildings.

Education System Transformation Project II – This project seeks to increase student access to quality secondary school places through the construction of five (5) STEAM academies and one

(1) visual and performing arts secondary-level institution. The project also seeks to improve school efficiency and administration by the establishment of a school management framework.

In FY 2024/25 the sum of $300.0 million was allocated for engaging consultants to develop building standards for infant, primary and secondary schools, promulgate STEAM education policy, establish a school standard management and operational framework, acquire lands and complete designs for the first of six (6) schools to be constructed. The allocation was subsequently reduced because the implementation was delayed for some activities.

For FY 2025/26, the sum of $689.65 million has been allocated to complete and seek approval of the STEAM education policy, commence and complete the school standard management and operational framework, and commence construction of the first STEAM school.

Primary and Secondary Infrastructure Programme (PSIP) – The focus of the project is to: 1) construct additional classrooms and amenities to remove selected high schools from the shift system, 2) improve the security of school campuses by erecting perimeter fencing, 3) upgrade the electrical system at selected primary and high schools.

In FY 2024/25, the project was allocated the sum of $845.60 million to continue the construction of classrooms at seven (7) schools, electrical upgrading at 11 schools, installation of sewage treatment facilities at one school, and installation of security fencing at 11 schools. The allocation was subsequently increased to $938.10 million as the pace of execution of the various contracts was ahead of schedule.

For FY 2025/26 the project has been allocated $1.77bn to commence construction of additional classroom spaces in 10 schools, commence and complete electrical upgrading works in seven (7) schools, and commence and complete construction of security fencing in seven (7) schools. Security fencing works that started in fiscal year 2024/2025 will also be completed for two (2) schools.

HEALTH

Health System Strengthening for the Prevention and Care-Management of Non-Communicable Diseases: The project was restructured in 2023 and all outstanding works/activities are programmed for execution in two (2) phases. Under phase 1 the Spanish Town Hospital will be expanded with loan funding from the Inter-American Development Bank (IDB) and three (3) health centres in St. Catherine will be constructed with grant financing from the European Union (EU). The construction/rehabilitation of two (2) hospitals in St. Ann and Clarendon and the rehabilitation of seven (7) health centres in those parishes will be completed under phase 2 utilizing GOJ resources.

During FY 2024/25 the project was allocated \$3.35bn to execute project activities; however the amount was reduced to \$2.12bn due to delays in commencing works at the Spanish Town Hospital. The relocation of facilities providing critical services that would be impacted by planned expansion activities were completed for Brown's Town Health Centre, St. Ann's Bay Health Centre, and the St. Ann's Bay Regional Hospital. Other achievements included the implementation of the Electronic Health Record (EHR) at 12 of 13 sites. This is to enhance the collaborative delivery of care by transitioning hard-copy patient records to a paperless system for easy upload and sharing of records among healthcare providers.

For FY 2025/26, \$4.0bn has been allocated to commence Phase 2 activities that include the development of designs to support construction at the St. Ann's Bay Hospital and the commencement of civil works at the May Pen Hospital. The allocation will also provide continued support to infrastructure works for the Spanish Town Hospital, and the Greater Portmore, St. Jago Park, and Old Harbour health centres. The continued digital transformation of health services is expected to reach a pivotal stage during the fiscal year when the Ministry of Health and Wellness (MOHW) will introduce a mobile health (*mhealth*) application for Jamaica.

Redevelopment of the Cornwall Regional Hospital: During fiscal year 2024/25, the project encountered delays due to the need to amend critical areas of the designs for the Third Phase of redevelopment. The delays triggered a reduction in the budgetary allocation from \$5.8bn to \$2.66bn for the fiscal year. The contract was 21% complete at the end of calendar year 2024. A sectional handover of the hospital facilities has commenced, and this will continue in fiscal year 2025/26. The areas proposed for sectional hand-over include sections housing the administrative offices, medical records, server room, general stores, accident and emergency department, dietary department, and the tower floors.

For FY 2025/26, \$5.0bn has been provided for the project and it is expected that 90% of the Third Phase of the redevelopment will be achieved by the end of the year.

Western Children and Adolescent Hospital: Construction of this 220-bed facility is approximately 70% complete with cladding of the exterior of the hospital building, completion of the morgue, and equipping of the facility being the major outstanding activities being supported during fiscal year 2025/26. The project is financed under a grant from the Republic of China, however, additional medical equipment and furniture which are essential to the building's functional use will be required.

Redevelopment and Modernisation of the University Hospital of the West Indies: The project seeks to transform the University Hospital of the West Indies (UHWI) into a modern facility with improved patient experience through a redevelopment programme to be carried out in two phases.

During FY 2024/25, Phase 1 activities, involving the re-routing of a section of the eastern section of the ring road to accommodate the building footprint and construction of 236 parking spaces was completed.

Phase 2 of the redevelopment which includes preparatory activities prior to the commencement of construction of the 6-storey building is scheduled to commence during FY 2025/26 with amendments to the designs and the municipal authority's approval to be sought to initiate the process of procuring a works contractor.

AGRICULTURE

Rehabilitation of Research Centres Phase II: The objective of this phase of the project is to empower the Agricultural Research Centres to function as centres of excellence in agricultural development and to contribute to the economic growth and development of Jamaica. In FY 2024/25, $406 million was allocated to the project to acquire seven (7) irrigation travellers, commence construction of a new piggery and cattle race/chute, upgrade the irrigation system, and renovate human resource and accounts units. Most of these activities were advanced in their execution and are scheduled to be completed in FY 2025/26.

For FY 2025/26, $999.42 million has been allocated to complete the construction of the new piggery, renovations/upgrade of various infrastructure at the Bodles (Central, North & South), Montpelier, Hounslow and Orange River research stations. Other activities scheduled for execution include the construction of security fencing at Montpelier and Bodles, rehabilitation of irrigation systems at Central, North, and South Bodles, installation of the herd management system, renovation of small ruminant houses, procurement of irrigation travellers (Hounslow and Montpelier) and farm equipment for each research station.

Southern Plains Agricultural Development Project – Southern Plains Agricultural Development Project: The objective of this project is to provide access to irrigation on lands formerly used for sugar cane production in South Clarendon & South St. Catherine in an effort to increase agricultural production and productivity.

The project focuses on the construction of wells, conversion of existing canal-supplied irrigation water to pressurized systems, and the construction of agricultural buildings for packing farm produce, storage, and office space. Road and drainage infrastructure are being

constructed/upgraded in the arable areas of Amity Hall and Bridge Pen in St. Catherine and Parnassus in Clarendon.
During FY 2024/25, the project was allocated $1.58bn to complete the rehabilitation of farm access roads, rehabilitate sections of the Hartlands canal network, and to complete the installation of irrigation infrastructure. The allocation was subsequently reduced to $1.18bn due to supply chain issues that affected the pace of the works contracts. The rehabilitation of the canal networks was completed, however, roads that were rehabilitated suffered damage during the passage of Hurricane Beryl. Construction of the 20,000m^3 reservoir continued.

For FY 2025/26, the sum of $965.82 million has been allocated to complete the construction of the reservoir, pump houses, agricultural buildings, and Global GAP structures at both Amity Hall/Bridge Pen in St. Catherine and Parnassus in Clarendon. Remedial works to prevent the degradation of existing and restored road infrastructure will be carried out during the 2025/26 fiscal year.

Essex Valley Irrigation Infrastructure Development Programme: – The objective of the project is to enhance the production and productivity of farmers in Essex Valley, St Elizabeth by increasing the area under irrigation and yield of crops in Essex Valley by a minimum of 90% in a socially inclusive gender equitable and climate-sensitive manner.

The project was allocated $1.90bn during FY 2024/25, however, the allocation was increased to $2.40bn to support the contract for the supply and installation of irrigation pipelines and appurtenances; rehabilitation of farm roads and drains; the supply and installation of equipment for the renewable energy plant to power the irrigation system; construction of agricultural buildings that meet global gap standards; and construction of four (4) pump houses. The supply and installation of pumps and equipment was 25% complete.

For FY 2025/26, the project has been allocated $1.75bn which will be used to complete remedial works on the irrigation pipelines and rehabilitation of farm roads impacted by the passage of Hurricane Beryl; supply and installation of pumps, switchgear, and other equipment; and to develop operational plans for Essex Valley and Southern Plains Agricultural Development Projects.

ENHANCING COMPETITIVENESS AND GROWTH

Boosting Innovation, Growth and Entrepreneurship Ecosystem Project: The project aims to stimulate sustainable and robust growth among businesses in the micro, small, and medium-sized enterprise (MSME) sector. The products designed under this project are to promote innovation and entrepreneurship with targeted support for women in business while leveraging partnerships with approved financial institutions to support MSMEs access to venture capital and private equity funds.

During FY 2024/25, a total of $1.28bn was allocated to the project, however, this was increased to $1.76bn to facilitate contractual obligations. A total of fifty-one (51) start-ups were grant recipients, while three hundred and five (305) MSMEs benefitted from vouchers to access business support and incubation services through partner Business Development Institutions, over the 2024/25 fiscal year.

For the 2025/26 fiscal year, the sum of $1.69bn has been allocated to support i) the launch of a Venture Capital Fund; ii) research and development for innovation projects; iii) clusters for public innovation goods and iv) academic institutions on entrepreneurship programmes. The loan agreement under which funding is provided to the project was extended by 18 months to September 2026.

ENERGY EFFICIENCY AND CONSERVATION

Energy Management and Efficiency Project: The objective of this project is to promote energy efficiency in state entities and fuel conservation in road transportation. The focus of the project is to retrofit selected government buildings with energy-efficient lighting and air conditioning systems and to implement an Urban Traffic Management System (UTMS) in the Kingston Metropolitan Area (KMA).

For FY 2024/25, the project was allocated $713.30 million to complete technical studies for the preparation of the revised National Energy Plan and conduct lighting and energy retrofitting of government facilities. Deep retrofitting of the air conditioning (AC) system at the University Hospital of the West Indies (UHWI) was completed, while preparation for retrofitting of AC systems at other health facilities commenced.

For FY 2025/26, a total of $1.31bn has been allocated to: i) complete deep retrofitting at six (6) hospitals; ii) commence lighting and AC retrofitting in several government facilities, and iii) complete the national Integrated Energy plan.

ROAD INFRASTRUCTURE

On an annual basis, a significant percentage of the capital budget is expended on road infrastructure projects. In FY 2024/25, road projects being supported in the central government budget included the Southern Coastal Highway Improvement Project, Montego Bay Perimeter Road, Widening and Dualization of Grange Lane, and construction of the Troy Bridge.

For FY 2025/26, road infrastructure projects constitute approximately 40% of the capital budget, with road construction/rehabilitation being the major area of focus. Projects being implemented include: the Southern Coastal Highway Improvement Project, the Montego Bay Perimeter Road, the Dualization of Braeton Road and Hellshire Main Road, and the Shared Prosperity through Accelerated Improvement to Our Road Network (SPARK) Project.

Southern Coastal Highway Improvement Project - The project aims to improve the alignment and capacity of the existing southeastern coastal main arterial road from Harbour View to Port Antonio to improve safety, increase efficiency in traversing the road corridor, and make the areas along the road more attractive for future development. The project also includes the construction of the third leg of the east-west highway from the Rio Minho Bridge in Clarendon to Williamsfield in Manchester.

During FY 2024/25, the project received a budgetary allocation of $6.29bn to complete the construction of the Harbour View to Port Antonio section of the project and commenced Phase 3 of the local roadworks construction packages.

For FY 2025/26 the sum of $2.50bn has been allocated to complete works on Phase 3 of the local roadworks construction package and to carry out remedial works in areas where defects have been identified.

Montego Bay Perimeter Road: - This project aims to create a safe and reliable alternate route/road for motorists travelling across and within Montego Bay, thus reducing congestion within the city and opening up new lands for structured development. The focus of the project is the construction of a 15 km 4 lane carriageway from Iron Shore to Bogue in Montego Bay, an 11km 4 lane divided carriageway to by-pass the Long Hill Road corridor, and the rehabilitation/improvement of specific intersections within the city of Montego Bay.

During the 2024/25 fiscal year, the project was allocated $10.20bn to facilitate the completion of land acquisition activities, the outline designs for the 11km - 4 lane carriageway along the Long Hill Bypass corridor, and the continuation of construction works on the 15km - 4 lane carriage-way from Ironshore to Bogue. The allocation was subsequently increased to $17.20bn to satisfy contractual obligations as the rate of project execution had increased significantly above that originally programmed.

For FY 2025/26, the project has been allocated $14.0bn to facilitate the acquisition of the remaining parcels of land needed for both Montego Bay and Long Hill Bypass Road construction, continued construction works on Montego Bay Bypass achieve 90% completion, and complete detailed designs for the Long Hill Bypass and commence construction of same.

Shared Prosperity through Accelerated Improvement to Our Road Network (SPARK): The objective of this project is to create a safe, reliable, and resilient road network that enhances mobility, connectivity, supports economic growth, and improves the quality of life for communities across the country.

This project was allocated $2.25bn in the Third Supplementary Estimates 2024/25 to commence rehabilitation of the first of four (4) road packages slated to be implemented over the life of the project.

For FY 2025/26, the project has been allocated $8.0bn to continue the rehabilitation of several roads in all fourteen (14) parishes and the replacement of old leaking water mains where necessary.

ENVIRONMENTAL RESILIENCE & CLIMATE CHANGE

Enhancing the Resilience of the Agricultural Sector and Coastal Areas – Under this US$10m grant-financed initiative of the Adaptation Fund, shoreline protection works (wall and composite revetment) have been undertaken in Buff Bay, Orange Bay, and at two sites in Annotto Bay. Climate change adaptation plans have also been developed, natural resource management training conducted, and reforestation efforts supported with the planting of 30,000 trees.

For FY 2025/26 the project will provide support to commence shoreline protection works at Buff Bay Site No. 2, undertake reconfiguration of the outfall of the 'Motherford' Drain, and conduct close-out activities.

Montego Bay Waterfront Protection Project – The objective of this project is to reduce the loss of beachfront acreage to coastal erosion and to protect valuable coastal resources along the Montego Bay Waterfront and the marine ecosystem in that area.

During FY 2024/25 the project received an allocation of $500 million to complete construction/rehabilitation works on the southern groynes including the shoreline areas in the vicinity of Harmony Beach Park. However, the slow rate of project execution has caused the construction/ rehabilitation of the groynes to be delayed.

For the 2025/26 fiscal year, the project has been allocated $350 million to complete waterfront protection structures on the Southern Groynes including the shoreline areas in the vicinity of Harmony Beach Park, complete wall revetment at the North Gully, commence and complete repairs to the northern groynes resulting from weather events during 2024:

DIGITAL TRANSFORMATION

Implementation of the National Identification System (NIDS) for Economic Growth: This project is entering its final year of execution with the loan agreement, under which financing is provided to implement project activities, scheduled to end in February 2026.

The new National Identification card was introduced in November 2024 and in an effort to support its roll-out, a total of 24 post offices island-wide are being retrofitted and will act as the National Identification and Registration Authority (NIRA) Service Centres (enrolment centres). Efforts are also underway to establish a corporate office for NIRA's operations.

During the 2024/25 fiscal year, digitization of the Registrar General's Department (RGD) civil records was undertaken, the data centre that will support the NIDS was upgraded and civil works commenced at seven (7) sites/post offices.

For FY 2025/26, the sum of $2.88bn has been allocated to complete the modification of 19 post offices for use as enrolment centres, facilitate wide area network connection, and final payment for the NIDS solution.

SELF FINANCING PUBLIC BODIES (SFPBs)

Public bodies continue to contribute to the infrastructural and economic development of the Jamaican economy. For FY 2025/26, the Group projects expenditure of $37.602bn for Public Sector Investments, with approximately $34.49bn or 92% being financed from the internal resources of the entities. The SFPBs with expected significant contribution to Public Sector Investment are highlighted below:

National Housing Trust (NHT)

The NHT will continue to pursue the increased delivery of housing solutions in the medium term. During 2025/26, the Trust plans to commence construction on 8,425 (2024/25: 6,366) new housing solutions and to deliver a total of 3,111 (2024/25: 2,754) at a total cost of $23.72bn. Projects will include housing solutions with small contractors, developers programme, joint ventures, inner-city housing, as well as NHT's own projects valued at $3.22bn.

National Water Commission (NWC)

The NWC will continue to undertake significant investments aimed at facilitating required infrastructure rehabilitation and coverage. Expenditure projections amount to $6.87bn and target projects to improve the availability of potable water, the accuracy of customer metering and sewerage operations. The sum of $1.64bn is budgeted for expenditure under the K-factor Programme including $216 million for customer water meter installation.

Port Authority of Jamaica (PAJ)

In FY 2025/26, the PAJ has budgeted $2.01bn for the development of the Ocho Rios Berth 2 in St Ann.

PUBLIC SECTOR INVESTMENT PROGRAMME (PSIP)

$'000

PROJECTS	Funding Agency	Revised Estimates 2024/25	Estimates 2025/26	Projection 2026/27	Projection 2027/28	Projection 2028/29	Projection 2029/30
OFFICE OF THE PRIME MINISTER						-	-
National Identification System (NIDS) for Economic Growth	*IDB*	1,340,402	2,885,890	-	-	-	-
Jamaica Disaster Vulnerability Reduction Project	*IBRD*	351,668	-	-	-	-	-
Jamaica Integrated Community Development Project II	*GOJ*	1,500,000	215,866	-	-	-	-
Rural Economic Development Initiative (REDI II)	*IBRD*	834,821	650,000	-	-	-	-
School Infrastructure Improvement Project	*GOJ/CDB*	419,190	249,724	-	-	-	-
Capacity Building for Education and Livelihoods Development Project	*GOJ/CDB*	148,829	572,523	-	-	-	-
Rural Community Access and Drainage Improvement Project	*GOJ/CDB*	140,257		-	-	-	-
TOTAL OFFICE OF THE PRIME MINISTER		4,735,167	4,574,003	-	-	-	-
MINISTRY OF ECONOMIC GROWTH & JOB CREATION							
Establishment of United Nations (UN) House	*GOJ*	10,000	250,000	-	-	-	-
Access to Finance for MSMEs	*IBRD*	822,329	-	-	-	-	-
Boosting Innovation, Growth & Entrepreneurship Ecosystem	*IDB*	1,756,331	1,698,378	-	-	-	-
Electronic Land Titling Project	*GOJ*	12,000	500,000	1,497,307	1,495,651	1,129,295	1,053,747
Southern Coastal Highway Improvement Project	*GOJ/ CEXIM*	6,297,709	2,500,000	-	-	-	-
Montego Bay Perimeter Road	*GOJ*	17,200,000	14,003,718	9,000,000	1,000,000	-	-
Integrating Water, Land and Ecosystems Management in Caribbean Small Island Developing States (IWEco)	*UNEP*	31,586	-	-	-	-	-
Montego Bay Waterfront Protection Infrastructure (Groynes) Project	*GOJ*	374,313	350,000	-	-	-	-
PPCR II - Adaptation Programme & Financing Mechanism	*CIF/IDB*	122,115	-	-	-	-	-

PROJECTS	Funding Agency	Revised Estimates 2024/25	Estimates 2025/26	Projection 2026/27	Projection 2027/28	Projection 2028/29	Projection 2029/30
Widening and Dualization of Grange Lane, St Catherine	*GOJ*	600,000	-	-	-	-	-
Troy Bridge		101,140	100,000	-	-	-	-
Construction of Portmore Resilience Park		975,687	2,500,000	950,000	-	-	-
Rural Water Supply Improvement Project		85,000	300,000	1,805,088	1,809,459	1,362,586	-
Shared Prosperity through Accelerated Improvement to Our Road Network (SPARK)		2,250,000	8,000,000	20,000,000	14,100,000	-	-
Dualization of Braeton Road and Hellshire Main Road		260,000	350,000	1,300,000	700,000	-	-
TOTAL MINISTRY OF ECONOMIC GROWTH & JOB CREATION		30,898,210	30,552,096	34,552,395	19,105,110	2,491,881	1,053,747
MINISTRY OF FINANCE & THE PUBLIC SERVICE							
Contingency Provision for New Public Investment Projects	*GOJ*	-	2,086,833	8,333,015	50,805,405	82,197,842	91,819,914
Enhancing the Resilience of the Agri Sector and Coastal Areas	*Adaptation Fund*	342,484	249,264	-	-	-	-
Public Sector Transformation Implementation Project	*IDB*	89,248	-	-	-	-	-
A Jamaican Path from Hills to Ocean	*EU*	224,933	234,438	170,000	-	-	-
Jamaica Business Environment Reforms Project	*GOJ/IBRD*	750,604	-	-	-	-	-
Construction of Tax Offices - Christiana	*GOJ*	441,680	73,000	-	-	-	-
TOTAL MINISTRY OF FINANCE & THE PUBLIC SERVICE		1,848,949	2,643,535	8,503,015	50,805,405	82,197,842	91,819,914
MINISTRY OF NATIONAL SECURITY							
Purchase and Overhaul of Ships/Coastal Surveillance	*GOJ*	1,049,497	-	-	-	-	-
Construction of the Forensic Pathology Autopsy Suite	*GOJ*	270,000	85,000	-	-	-	-
Construction of the Westmoreland Police Divisonal Headquarters	*GOJ*	1,153,000	1,032,000	623,405	-	-	-
Construction of St. Catherine North Police Divisonal Headquarters	*GOJ*	555,115	700,000	997,927	150,000	-	-
Security Strengthening Project	*IDB*	644,925	19,580	-	-	-	-
TOTAL MINISTRY OF NATIONAL SECURITY		3,672,537	1,836,580	1,621,332	150,000	-	-

PROJECTS	Funding Agency	Revised Estimates 2024/25	Estimates 2025/26	Projection 2026/27	Projection 2027/28	Projection 2028/29	Projection 2029/30
MINISTRY OF JUSTICE							
Construction of Hanover Justice Centre	*GOJ*	128,250	105,138	-	-	-	-
Construction of Clarendon Justice Centre	*GOJ*	-	90,543	88,000	-	-	-
TOTAL MINISTRY OF JUSTICE		128,250	195,681	88,000	-	-	-
MINISTRY OF LABOUR AND SOCIAL SECURITY							
Social Protection for Increased Resilience and Opportunity Project	*IBRD*	62,239	135,000	760,000	1,076,000	921,000	921,000
TOTAL MINISTRY OF LABOUR AND SOCIAL SECURITY		62,239	135,000	760,000	1,076,000	921,000	921,000
MINISTRY OF EDUCATION,SKILLS, YOUTH & INFORMATION							
Education Transformation Programme I	*GOJ*	298,120	853,735	-	-	-	-
Primary & Secondary School Infrastructure Project	*GOJ*	938,100	1,767,851	1,050,000	550,000	-	-
Establishment of Diagnostic Centres (Special Education)	*GOJ*	1,000	180,000	-	-	-	-
Education System Transformation Programme (Phase 2)	*GOJ*	221,250	689,650	2,875,000	2,865,000	2,261,384	2,261,384
Jamaica Education Project	*IBRD*	113,045	752,000	1,346,155	1,490,900	1,251,080	1,518,355
TOTAL MINISTRY OF EDUCATION & YOUTH		1,571,515	4,243,236	5,271,155	4,905,900	3,512,464	3,779,739
MINISTRY OF HEALTH & WELLNESS							
Redevelopment of the Cornwall Regional Hospital	*GOJ*	2,662,714	5,082,341	7,000,000	3,000,000	-	-
Western Adolescence Hospital	*GOJ*	216,800	827,200	750,000	-	-	-
Prevention & Care Management of Non-Communicable Diseases	*IDB/EU /GOJ*	2,122,283	4,002,784	6,101,910	4,310,410	1,245,000	-
Support to the National HIV/AIDS Response in Jamaica		1,596,789	-	-	-	-	-
Redevelopment & Modernisation - University Hospital of the West Indies	*GOJ*	331,000	270,371	2,500,000	2,500,000	1,000,000	-
TOTAL MINISTRY OF HEALTH & WELLNESS		6,929,586	10,182,696	16,351,910	9,810,410	2,245,000	-

PROJECTS	Funding Agency	Revised Estimates 2024/25	Estimates 2025/26	Projection 2026/27	Projection 2027/28	Projection 2028/29	Projection 2029/30
MINISTRY OF AGRICULTURE & FISHERIES							
Rehabilitation of Research Centres (Phase 2)		**406,000**	**999,418**	**1,523,629**	**1,293,751**	**1,143,601**	**943,601**
Promoting Community Based Climate Resilience in the Fisheries Sector	***IBRD***	**218,149**	-	-	-	-	-
Essex Valley Irrigation Infrastructure Development Prog.	***CDB***	**2,399,469**	**1,754,879**	**2,086,169**	**540,163**	-	-
Southern Plain Agricultural Development Project	***CDB***	**1,185,668**	**965,819**	**720,000**			
Soil Fertility Mapping Project	***Kingdo***	**35,922**	-	-	-	-	-
TOTAL MINISTRY OF AGRICULTURE & FISHERIES		**4,245,208**	**3,720,116**	**4,329,798**	**1,833,914**	**1,143,601**	**943,601**
MINISTRY OF INDUSTRY, INVESTMENT AND COMMERCE							
Global Services Skills Project	***IDB***	**315,962**	-	-	-	-	-
TOTAL INDUSTRY, INVESTMENT AND COMMERCE		***315,962***	**-**	**-**	**-**	**-**	**-**
MINISTRY OF SCIENCE, ENERGY, TELECOMMUNICATIONS AND TRANSPORT							
Energy Management and Efficiency Programme	***IDB***	**713,290**	1,312,617	-	-	-	-
Acquisition of Buses	***GOJ***	**4,179,466**	3,200,000	4,200,000	-	-	-
			-	-	-	-	-
TOTAL MINISTRY OF SCIENCE, ENERGY, TELECOMMUNICATIONS AND TRANSPORT		***4,892,756***	***4,512,617***	***4,200,000***	**-**	**-**	**-**
MINISTRY OF LOCAL GOVERNMENT & COMMUNITY DEVELOPMENT							
Improvement of Emergency Communication System in Jamaica	***JICA***	**1,578,280**	-	-	-	-	-
Acquisition of Compactor Trucks		**857,590**	-	-	-	-	-
TOTAL MINISTRY OF LOCAL GOVERNMENT & RURAL DEVT		***2,435,870***	**-**	**-**	**-**	**-**	**-**
TOTAL CENTRAL GOVERNMENT		**61,736,249**	***62,595,560***	***75,677,605***	***87,686,739***	***92,511,788***	***98,518,001***

PUBLIC BODIES

Projects	*Funding Agency*	*Estimatee 2024/2025*	Projection 2025/2026	Projection 2026/2027	Projection 2027/2028	Projection 2028/2029	Projection 2029/2030
Airport Authority of Jamaica							
NMIA CDP - Phase 1B	AAJ	-	-	503,310	106,050	-	-
NMIA CDP - Phase 2A	AAJ	66,110	207,280	-	17,110	157,020	-
NMIA Apron Reconstruction	AAJ	-	-	-	-	-	
Shoreline Protection	AAJ	333,790	263,220	194,720	-	-	
Building Renovation/Procurement	AAJ	8,060	3,320	13,420	8,550	5,230	
Vernamfield	AAJ	-	16,450	-	530,260	621,110	-
Ian Flemming International Airport	AAJ	362,810	297,760	1,008,300	492,620	785,120	-
Other Aerodromes	AAJ	24,440	564,930	3,515,480	4,492,630	2,279,680	
			-	-	-	-	-
AAJ SubTotal		**795,210**	**1,352,960**	**5,235,230**	**5,647,220**	3,848,160	-
Betting, Gaming and Lotteries Commission							
Gaming Management Information System (GMIS)	BGLC	188,170	166,000	21,000	-	-	-
BGLC Sub-Total		**188,170**	**166,000**	**21,000**	-	-	-
Factories Corporation of Jamaica							
Garmex Redevelopment Project	FCJ	249,460	714,800	1,200,000	-	-	-
Boundbrook Urban Centre	FCJ	-	-	-	-	-	-
Hayes, Clarendon	FCJ	-	-	-	-	-	-
Morant Bay Urban Development Centre	FCJ	-	-	-	-	-	-
FCJ Sub-Total		**249,460**	**714,800**	**1,200,000**	-	-	-
Students' Loan Bureau							
Enterprise Management Information	SLB	23,808	**49,351**				
JUTC Sub-Total		**23,808**	**49,351**	-	-	-	-
National Health Fund							
Construction and Upgrading of Pharmacies	NHF	-	300,000				
Warehouse Fire Suppression System	NHF	-	22,800				
NHF Head Office	NHF	525,000	565,725				
Bustamante Chemo Room	NHF	-	15,000				
NHF Sub-total		**525,000**	**903,525**	-			

Projects	Funding Agency	Estimatee 2024/2025	Projection 2025/2026	Projection 2026/2027	Projection 2027/2028	Projection 2028/2029	Projection 2029/2030
National Housing Trust							
INTERIM FINANCED							
Foreshore Estate Housing Development	NHT		54,030	200,000	260,000		
Silversun Estates	NHT		2,000,000	1,500,000	-	-	-
Sub-Total		-	2,054,030	1,700,000	260,000	-	-
SMALL CONTRATORS PROGRAMME							
Colbeck Castle Ph 1 & 2A	NHT		470,000	-	-	-	-
Colbeck Castle Ph 1 & 2B	NHT		600,000	-	-	-	-
Colbeck Castle Ph 4	NHT			800,000	**500,000**		
Colbeck Castle Ph 5	NHT		-	-	-	1,000,000	**400,000**
Colbeck Castle Ph 6	NHT		-	-	-	-	**1,000,000**
Holland (St. Elizabeth)	NHT		-	300,000	**500,000**	-	-
Yeast Plant	NHT		450,000	200,000	-	-	-
Sub-Total		-	**1,520,000**	**1,300,000**	**1,000,000**	1,000,000	**1,400,000**
DEVELOPERS PROGRAMME							
Barrett Hall, St. James	NHT		90,000	2,627,070	**3,360,000**	3,360,000	3,736,770
Dry Valley, Trelawny	NHT		690,270	**1,227,890**	**4,960,680**	3,307,120	1,146,030
Galina , St. Mary	NHT		127,880	992,270	**979,130**	63,940	-
Longville 4, Clarendon (Inverness)	NHT		-	-	**1,796,000**	-	1,661,300
Luana 2, St. Elizabeth	NHT		35,219	140,880	**2,262,330**	995,430	88,050
Minard, St. Ann	NHT		6,000	221,010	**1,512,460**	1,512,460	1,063,710
Friendship - Phase 2, St. Elizabeth	NHT		40,000	1,117,630	**1,680,000**	1,224,410	104,410
Mount Nelson, Manchester	NHT		633,470	3,273,110	**3,939,730**	2,573,160	316,740
Kensington, St. Elizabeth	NHT		12,000	29,860	**499,500**	13,500	-
Surbiton Apartments, St. Andrew	NHT		-	7,880	-	145,690	3,940
Sheckles 2, Clarendon	NHT		40,000	256,820	**1,278,510**	1,278,510	1,278,510
Ridge Estate, St. Ann	NHT		29,000	217,150	**1,330,090**	1,330,090	1,357,050
Point (Phase 1&2), Hanover	NHT		90,000	-	**477,200**	3,009,610	4,514,420
Sub-Total		-	**1,821,569**	**10,250,210**	**24,075,630**	21,378,820	**19,118,280**
GUARANTEED PURCHASE PROGRAMME							
Catherine Estate (Bernard Lodge)	NHT		**850,000**	**2,138,000**	**2,657,000**	-	-
Roseneath	NHT		-	-	-	-	-
Savannah Park	NHT		**42,900**	**85,800**	**3,030**	-	-
Out of the Blue	NHT		-	-	-	-	-
Spot Valley	NHT		**1,961,930**	**1,952,210**	**57,660**	-	-
Howard Avenue Apartments	NHT		**2,248,740**	**57,660**	-	-	-
Longville Meadows	NHT		**2,587,500**	**5,692,500**	**5,692,500**	6,210,000	**3,553,500**
Rozelle, St. Thomas	NHT		**1,118,760**	**1,790,020**	**2,573,150**	1,901,890	**199,560**
Carlsberg, Clarendon	NHT		-	**59,800**	**619,530**	486,770	**29,900**
Brampton Farm, St. Catherine	NHT		-	**1,248,750**	**1,873,130**	1,873,130	**1,873,130**
Sheffeild Palms, Westmoreland	NHT		**424,130**	**424,130**	-	21,750	-

Projects	*Funding Agency*	*Estimatee 2024/2025*	Projection 2025/2026	Projection 2026/2027	Projection 2027/2028	Projection 2028/2029	Projection 2029/2030
Holland Estate, St. Elizabeth	NHT		9,500	32,000	780,000	1,950,000	1,950,000
Passley Gardens, Portland	NHT		6,000	17,240	190,430	396,730	396,730
Norwich, Portland	NHT		-	-	26,330	315,900	157,950
Negril Spots, Westmoreland	NHT		452,910	2,264,550	2,264,550	2,264,550	905,820
Fontabelle, Westmoreland	NHT		648,500	972,750	972,750	486,380	162,130
Bromley, St. Ann	NHT		28,520	661,010	1,983,030	1,983,030	1,322,020
Sub-Total		-	**3,217,770**	**6,835,670**	**11,196,950**	10,034,480	**6,767,860**
INNER CITY HOUSING / COMMUNITY RENEWAL PROG.							
White Wing	NHT		717,140	18,030	-	-	
Maxfield Park (Frog City)	NHT		125,070	340,000	544,000	700,000	**480,000**
Industry Pen	NHT		208,440	294,060	700,000	650,000	**250,000**
Bellrock	NHT		28,000	100,000	110,000	10,000	-
Rasta City	NHT		1,436,010	1,514,780	75,740	30,300	-
Canterbury	NHT		16,000	245,000	420,000	17,500	-
St. Paul's Lane	NHT		10,000	-	-	-	-
81 Bay Farm Road	NHT		117,450	124,500	415,000	207,500	**20,750**
Mount Salem (Brownfield)	NHT		-	300,000	300,000	20,000	**10,000**
Leith Hall (Brownfield)	NHT		20,000	60,000	250,000	500,000	**500,000**
Comfort (Mount Salem)	NHT		9,400	-	-	-	-
Sub-Total		-	**2,687,510**	**2,996,370**	**2,814,740**	2,135,300	**1,260,750**
NHT Sub-Total		-	**23,715,839**	**40,551,570**	**54,695,410**	46,244,640	**34,301,970**
National Water Commission				-			
KSA Mains Replacemet	GOJGrant	183,600	358,000	-	-	-	-
Other Mains Replacement	GOJGrant	137,590	1,300,000	-	-	-	-
Greater Mandeville Water Supply	IGF	43,500	563,150	-	-	-	-
Port Royal Mains Replacement and New Sewerage System	Loan	10,450	100,000	-	-		
			-	-	-	-	-
K Factor Programme			-	-		-	
Customer Water Meter Installation	IGF	217,510	945,000	-	-	-	
St Catherine NRW - Portmore	IGF	738,580	-	-	-	-	
Hermitage Dam Rehabilitation Works Phase1	GOJGrant	48,450	140,810	-	-	-	
Essex Valley W/S Distribution	IGF	-	-	-	-	-	

Projects	*Funding Agency*	*Estimatee 2024/2025*	Projection 2025/2026	Projection 2026/2027	Projection 2027/2028	Projection 2028/2029	Projection 2029/2030
Hounslow W/S Hopewell Well to Fort Charles	Loan	-	-	-	-	-	
University Crescent Sewer	GOJGrant	-	58,000	-	-	-	
Kencot Sewerage	Loan	-	-	-	-	-	
Horizon Park WWTP Rehab	IGF	-	10,000	-	-	-	
Eltham Park WWTP Rehabilitation	IGF	15,000	33,200	-	-	-	
Greater Portmore WWTP Rehabilitation Phase 2	IGF	25,000	330,750	400,000	125,000	-	
Coral Drive, West Bay, Portmore	IGF	-	-	-	-	-	
Bay Farm Road Sewer Extension	Loan	-	-	-	-	-	
Tanks and Pumps	Loan/IGF	87,570	595,750	796,000	335,000	-	
Munroe/Wellington Road Sewerage	IGF	14,420	623,400	-	-	-	
Mona Heights Sewerage	IGF	120,000	250,000	250,000	-	-	
Rehabilitation and Upgrading WWTP (NEPA Listing)	IGF		500,000	-	-	-	
			-	-	-		
Rural Water Projects			-	-	-		
Agualta Vale/Richmond Highgate	IGF	160,000	130,000	90,000	-		
Dornoch WTP to Baron Hill Main Replc.	GOJGrant	70,000	70,000	130,000	-		
Jericho Well to Ewarton/York St Pipe upgrade	GOJGrant	98,000	34,000	-	-	-	
Kingland to Greenvale Road W/S		-	-	-	-	-	
Whitehall/Springfield WTP WS Rehab & upgrade	Loan	-	-	-	-		
Black River Pipeline replacement	IGF	65,000	245,000	-	-		
Juno Crescent Well Development	GOJGrant	220,000	90,000	50,000	-		
Morant Bay W/S Seafort/Springfield	GOJGrant	74,700	108,000	270,500	-	-	
Savannah-la-Mar Water Supply Upgrade	GOJGrant	-	90,000	150,000	200,000	-	
Christiana Spalding Water Supply	Loan	7,000	68,000	10,000	-	-	
Port Antonio WWTP			125,000	-	-	-	
Yallahs-Whitehorses-Morant Bay	GOJGrant		102,000	-	-	-	
		-				-	
NWC Sub-Total		**2,336,370**	**6,870,060**	**2,146,500**	**660,000**	**-**	-
Port Authority of Jamaica				-	-	-	
Caymanas Special Economic Zone	PAJ		-	-	-	-	-
Port Antonio East Harbour	PAJ	-	-	-	-	-	-
Ocho Rios Berth 2	PAJ	1,882,240	2,013,800	-	-	-	-
PAJ Sub-Total		**1,882,240**	**2,013,800**	-	-	**-**	-

Projects	*Funding Agency*	*Estimatee 2024/2025*	Projection 2025/2026	Projection 2026/2027	Projection 2027/2028	Projection 2028/2029	Projection 2029/2030
Urban Development Corporation				-		-	
Caymanas Housing Blocks 2, 3, & 7	UDC	-	-				
Hellshire Sewerage Treatment Plant	UDC	28,800	245,010	14,410	-	-	
Caymanas Block 1	UDC	264,000	1,570,800	739,200	66,000	-	
Fairy Hill	UDC	-	-	-	-	-	
Portmore Park Commercial	UDC		285,000	1,110,750	763,830	37,500	
	Loan						
			-			-	
UDC Sub-Total		**292,800**	**2,100,810**	**1,864,360**	**829,830**	37,500	-
TOTAL SELF-FINANCED PUBLIC BODIES		**6,293,058**	**37,887,145**	**51,018,660**	**61,832,460**	50,130,300	**34,301,970**
PUBLIC PRIVATE PARTNERSHIPS							
Norman Manley International Airport (NMIA)	PPP	2,645,990	11,496,346	8,227,256	3,859,942	1,239,751	-
Ministry of Education - Schools Solar	PPP		321,625	321,625	-	-	-
National Water Commission- Rio Cobre 15MGD WTP	PPP		7,908,000	7,908,000	-	-	-
TOTAL PPPs		**2,645,990**	**19,725,971**	**16,456,881**	**3,859,942**	**1,239,751**	-
TOTAL CENTRAL GOVERNMENT		**61,736,249**	**62,595,560**	**75,677,605**	**87,686,739**	**92,511,788**	**98,518,001**
TOTAL PSIP		**70,675,297**	**120,208,676**	**143,153,146**	**153,379,141**	**143,881,839**	**132,819,971**

APPENDIX VI

FISCAL RISK STATEMENT

Introduction

Jamaica's economic progress during FY 2024/25 was adversely impacted by the actualization of risks associated with natural hazards, resulting in a significant variance in the estimate for real GDP growth for the fiscal year relative to projection. The realization of fiscal risks undermines key fiscal objectives, reduces the accuracy of fiscal forecasts, erodes budget credibility, and ultimately threatens macroeconomic stability. Effective management of these fiscal risks is therefore critical to maintaining macroeconomic stability and achieving the government's economic goals. The strategies implemented by the GOJ to enhance fiscal resilience, using a multi-layering approach to disaster risk financing, contributed to the generally positive fiscal performance over the first three quarters of FY 2024/25 as evidenced by the improved fiscal aggregates compared to the projected targets. Despite the improvement in fiscal and economic resilience, Jamaica remains exposed to fiscal and macroeconomic risks.

The effective management of these risks requires a deep understanding of the potential threats, transparency in their disclosure, and continued implementation of proactive mitigation strategies. This approach will enable the Government to safeguard fiscal and macro-economic gains, ensure sustainability, and maintain long-term macroeconomic and fiscal stability. The consequences of inaction may be severe, leaving the country more vulnerable to economic shocks and exposing the fiscal programme to unplanned and disruptive policy actions.

This Fiscal Risk Statement outlines and assesses the GOJ’s exposure to fiscal risks originating from sources such as: deviations from the macroeconomic assumptions used in preparing the FY 2025/26 budget and medium term projections; contingent liabilities which may arise from climate change, the operation of public bodies, public private partnerships and judicial awards; wage settlements; and monetary policy. The statement also highlights measures already taken and underway, as well as those being explored by the GOJ to address and mitigate these risks.

Fiscal Risk Sources and Disclosure

The major risks that the GOJ, through the MOFPS, actively monitors and manages are highlighted in **Table VI (a)**.

Table VI (a): Fiscal Risk Sources

Risk Factor	Implications for Fiscal Position
Macroeconomic Risks	
Economic Growth	Deviation of actual economic growth from forecast will impact key fiscal variables, including revenue. Slower than budgeted growth will likely lead to a shortfall in revenue.
Inflation	Lower than programmed inflation can have a negative impact on revenue collection and nominal growth, thereby thwarting the achievement of fiscal and debt targets. Higher than programmed inflation could negatively impact the Government's expenditure bill.
Interest Rates	Increasing interest rates are a risk to debt service costs, based on the interest rate composition of the debt stock. That is, the higher the percentage of the portfolio that is contracted on a floating rate basis, the greater the risk from an increase in interest rates.
Exchange Rates	Jamaica dollar depreciation increases the J$ value of the external debt stock, debt service, and imports. However, a depreciation of the J$ will have a positive revenue effect through increased earnings primarily from international trade taxes and external grant receipts (in J$ terms).
Commodity Prices	Oil Prices - Oil prices directly impact both revenue and expenditure. Revenue is impacted through the SCT on petroleum and petroleum products, whereas expenditure is impacted through the Government's housekeeping expenses.
Contingent Liabilities	
Climate-Related Risks	Jamaica is located in a multi-hazard zone, and is therefore susceptible to climate-related natural disasters such as hurricanes, flooding, excess rainfall and earthquakes. Realisation of any of these disasters could lead to significant infrastructural damage and the need for adjustments to the GOJ's expenditure programme, as well as lower revenue from economic disruption and fallout.
Public Bodies	Public Entities may require support from the Central Government to cover operating costs or pay debt, adding pressure to the Central Government's budget.
Public Private Partnerships (PPPs)	PPP Projects have to be carefully designed, taking into account the probability of losses that may have to be assumed by the Government.
Judicial Awards	Court judgements made against the GOJ pose a risk to fiscal targets, through increased unplanned expenditure.
Other	
Wage Settlements	Uncertainty surrounding the final settlements, compounded by the protracted nature of wage negotiations can lead to higher than planned costs to the budget.
Monetary Policy	The Bank of Jamaica Act outlines that the Central Bank should maintain a Reserve Fund consisting of net profits transferred at the end of each fiscal year. When the fund exceeds the Bank's authorised capital, the excess should be transferred to the Consolidated Fund. Likewise, if the Bank realises net losses exceeding the amount held in the Reserve Fund at the end of the Bank's fiscal year, the excess is to be paid to the Bank from the Consolidated Fund. The operations of the Central Bank therefore entail upside and downside risks.
Government Policy Changes	Government policy changes have the potential to adversely impact both revenue and expenditure and ultimately key fiscal targets, in the absence of compensatory measures.

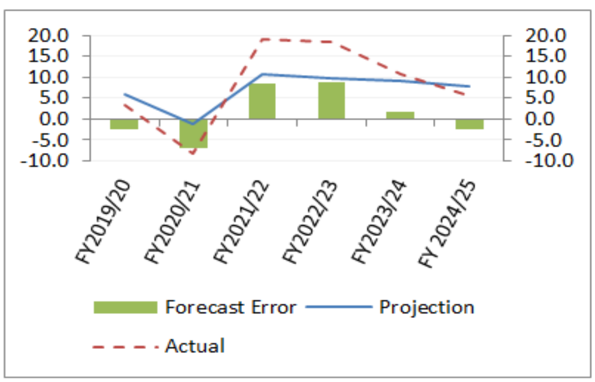
Source: MOFPS

Macroeconomic Risks

Economic Growth

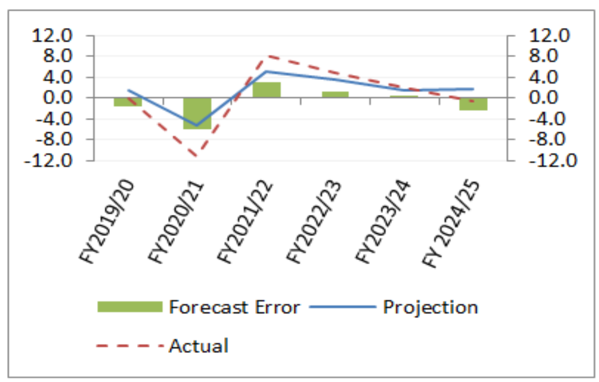
The main risk to fiscal and debt sustainability in Jamaica is slower-than-projected GDP growth. Deviations from GDP growth forecast reduce the accuracy of fiscal projections, particularly for revenue, and may undermine the achievement of key fiscal targets since they are often expressed as a percentage of nominal GDP. **Figure VI (a)** and **Figure VI (b)** below show the difference between the growth projections underlying the original budget[7] and actual outturns for both nominal and real GDP over the period FY 2019/20 to FY 2023/24, and estimated outturns for FY 2024/25. The diagrams illustrate a generally positive forecast bias for both nominal and real GDP prior to FY 2021/22, which means that the actual outturns are often below the original forecasts – leading to negative forecast errors. Between FY2021/22 and FY 2023/24, the forecast errors have been positive, demonstrating a faster-than-expected rebound from the economic impact of the COVID-19 global health pandemic. Nominal GDP growth for FY 2024/25 is estimated at 5.6 percent, while real GDP is expected to contract by 0.7%. These estimates are lower than the projections underlying the original budget for FY 2024/25.

Figure VI (a): Nominal GDP Projections



Source: MOFPS
Note: Projections and actual outturns are read in percentage (%) and forecast errors are read in percentage points (pp).

Figure VI (b): Real GDP Projections

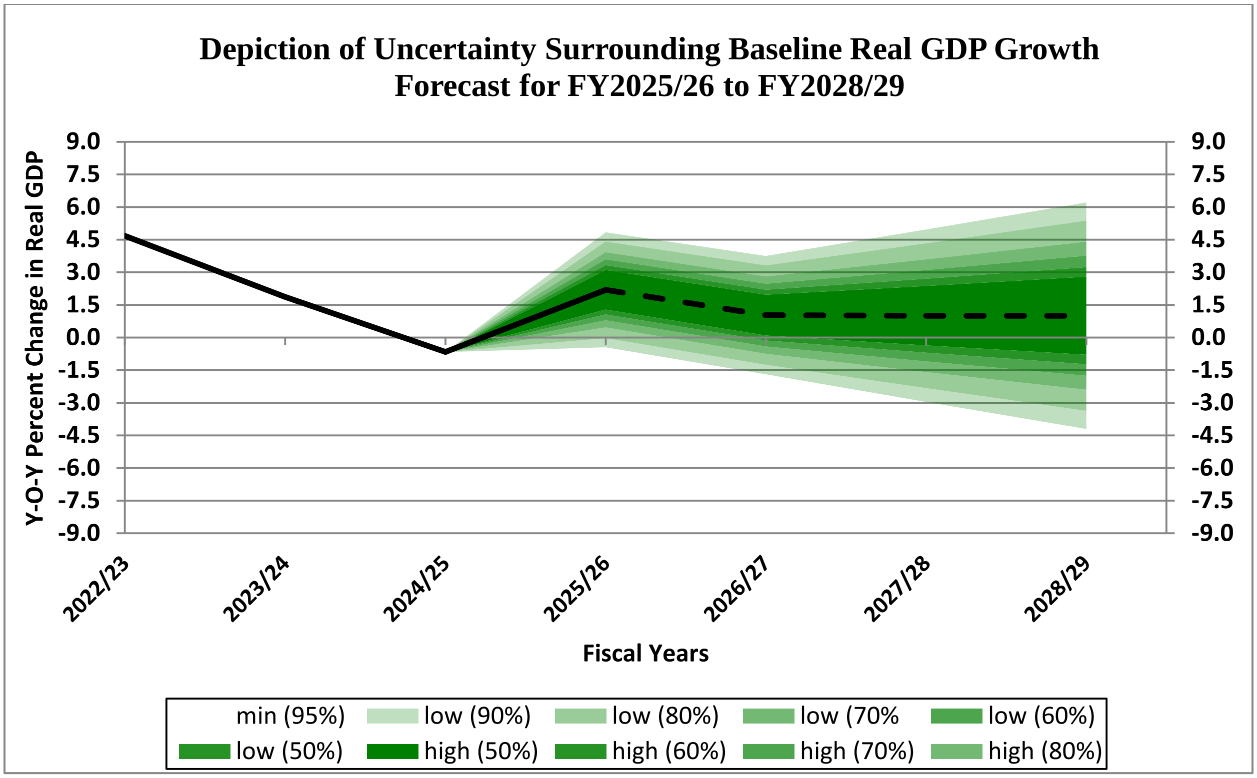


Source: MOFPS
Note: Projections and actual outturns are read in percentage (%) and forecast errors are read in percentage points (pp).

Real GDP growth for FY 2025/26 is projected at 2.2%. The fan chart in **Figure VI(c)** captures the level of uncertainty surrounding the medium-term projections for real GDP growth. For FY 2025/26 there is a 50.0% probability that the real GDP growth outturn will be between 1.3% and 3.1%.

Figure VI (c): Fan Chart Showing Real GDP Growth Uncertainty

[7] The GDP growth projections used for FY 2020/21 reflect those underlying the First Supplementary Estimates and not the original budget, since there was an early revision of the budget due to the onset of the COVID-19 pandemic.



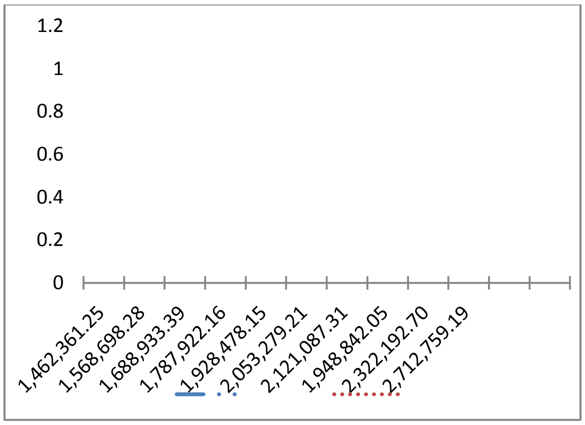
Source: BOJ, MOFPS

Box VI (a): Depiction of Uncertainty Surrounding Baseline Real GDP Growth Forecast

The solid line in **Figure VI (c)** shows actual fiscal year Real GDP growth for the 3-year period from FY 2022/23 through to FY 2023/24 and the estimated growth for FY 2024/25, while the broken line represents the 4-year medium-term baseline projections (from FY 2025/26 to FY 2028/29). The fan chart utilises the standard deviation of the forecast errors to determine the spread of the fan opening around the projected baseline values at different confidence levels. The blades nearest the centre of the fan chart in dark green define the range of projections corresponding to a 50.0% probability of occurrence, based on historical outturns. As the probability of occurrence increases, the colour is progressively less saturated and the spread between the maximum and minimum values

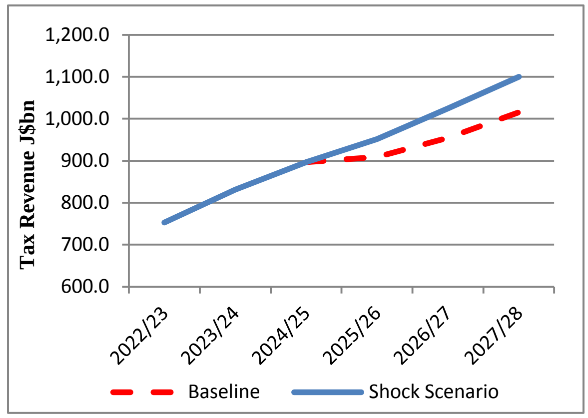
The relationship between tax revenue and nominal GDP can be measured using tax buoyancy, where a buoyancy of 1.0 suggests that a 1.0% increase in GDP would result in a 1.0% increase in tax revenue. Buoyancy greater than 1.0 would result in a more than proportionate increase, whereas buoyancy less than one would lead to a less than proportionate increase in tax revenue. **Figure VI (d)** shows buoyancy estimates for the period FY 2014/15 to FY 2024/25 and the average estimate for the period. The average buoyancy of 1.3 suggests that where nominal GDP increases (decreases) by 1.0%, tax revenue is expected to increase (decrease) by 1.3%. The impact on Tax Revenue based on a shock scenario in which nominal GDP growth for FY 2025/26 is one standard deviation (2.7 percentage points) lower than projected is illustrated in **Figure VI (e)**. In the year of impact (FY 2025/26), the results show Tax Revenue falling by $42.7bn or 4.5% relative to the baseline. This significant negative impact on Tax Revenue would threaten the attainment of the legislative debt-to-GDP target of 60.0%, or less, by end-FY 2027/28 if appropriate policy response is not undertaken.

Figure VI (d) Buoyancy of Total Tax Revenue Relative to Nominal GDP



Source: MOFPS

Figure VI (e) Impact of a Shock to Nominal GDP on Tax Revenue



Source: MOFPS

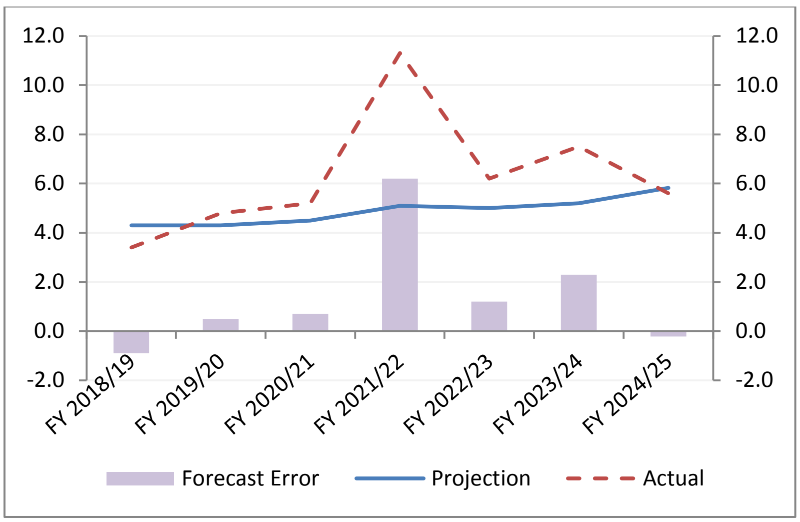
The January 2025 World Economic Outlook Update published by the IMF projects that the global economy will grow by 3.3% in 2025, marginally higher than the 3.2% estimated for 2024. The forecast is broadly in line with the October 2024 outlook, with an upward revision in the growth projected for the United States offsetting downward revisions in other major economies. The risks to global growth in the short to medium term are skewed to the downside, predicated primarily on elevated policy uncertainty. In particular, the implementation of economic policies in the United States aimed at shielding the country from foreign competition, through increased tarrifs on imported goods, could escalate trade tensions, leading to decreased investment, reduced market efficiency, and distorted trade flows. This could also disrupt global supply chains, ultimately affecting economic growth in the short and medium term. Additionally, inflationary pressures emanating from these policies could influence central banks to tighten monetary policy by increasing interest rates which, in turn, would exacerbate fiscal risks.

Given that the United States is Jamaica’s main trading partner, it is imperative that the GOJ continues to monitor developments in that country as well as in the global economy to manage possible spill-over effects.

Inflation

Inflation rates have a direct impact on the Government of Jamaica's (GOJ) expenditure budget, affecting both general administrative expenses and the cost of servicing debt that is linked to inflation. At end-December 2024, the annual point-to-point inflation rate was 5.0%; and it is projected that the outturn for the fiscal year will be within the Central Bank's target range of 4.0% to 6.0%. **Figure VI (f)** highlights the variance between inflation projections and the actual outturns for FY 2018/29 to FY 2023/24 and the estimated outturn for FY 2024/25. Notably, the point-to-point inflation estimate for FY 2024/25 is marginally lower than projection. Actualization of the fiscal year estimate would mark the first time since FY 2018/19 that the inflation outturn is not higher than projected.

Figure VI (f): Annual Point to Point Inflation Projections vs Actual Outturns



Source: STATIN, BOJ, MOFPS

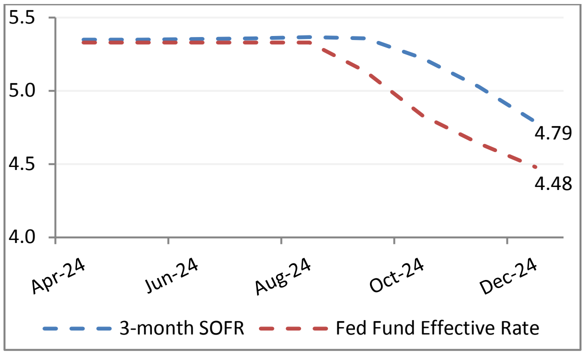
Note: Projections and actual outturns read in percentage and forecast errors read in percentage point.

Interest Rates

The Government's exposure to changes in interest rates is measured by the share of variable-rate, and near-to-maturity fixed-rate debt in the debt portfolio. In an effort to reduce this risk, the GOJ's debt management strategy features the issuance of mainly fixed-rate debt instruments.

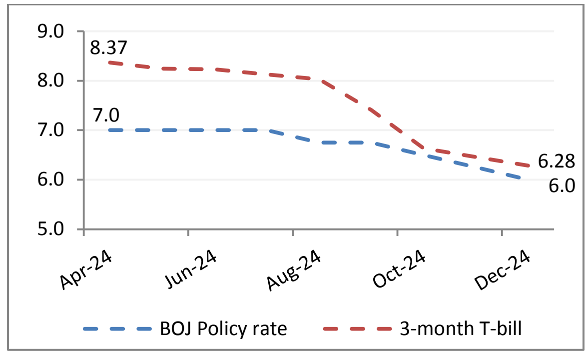
The 3-month Treasury-Bill rate and the Secured Overnight Financing Rate (SOFR) are the reference rates primarily used to reset interest rates on the variable-rate portion of the domestic and external debt portfolios, respectively. For FY 2024/25 to December 2024, the US Federal Reserve eased their monetary policy stance, reducing the target range for the Fed Funds rate by 85 basis points (bps) to 5.33% to 4.48%. Consistent with this easing, the 3-month SOFR declined by 56 bps to 4.79% at end-December 2024 (see **Figure VI (g)**). Similarly, the BOJ reduced its policy rate by 100 basis points to 6.0% over the period, while the average 3-month Treasury bill rate declined by 208 basis points to 6.28% (see **Figure VI (h)**).

Figure VI (g): External Market Reference Rates



Source: Federal Reserve Bank of St. Louis

Figure VI (h): Domestic Market Reference Rates



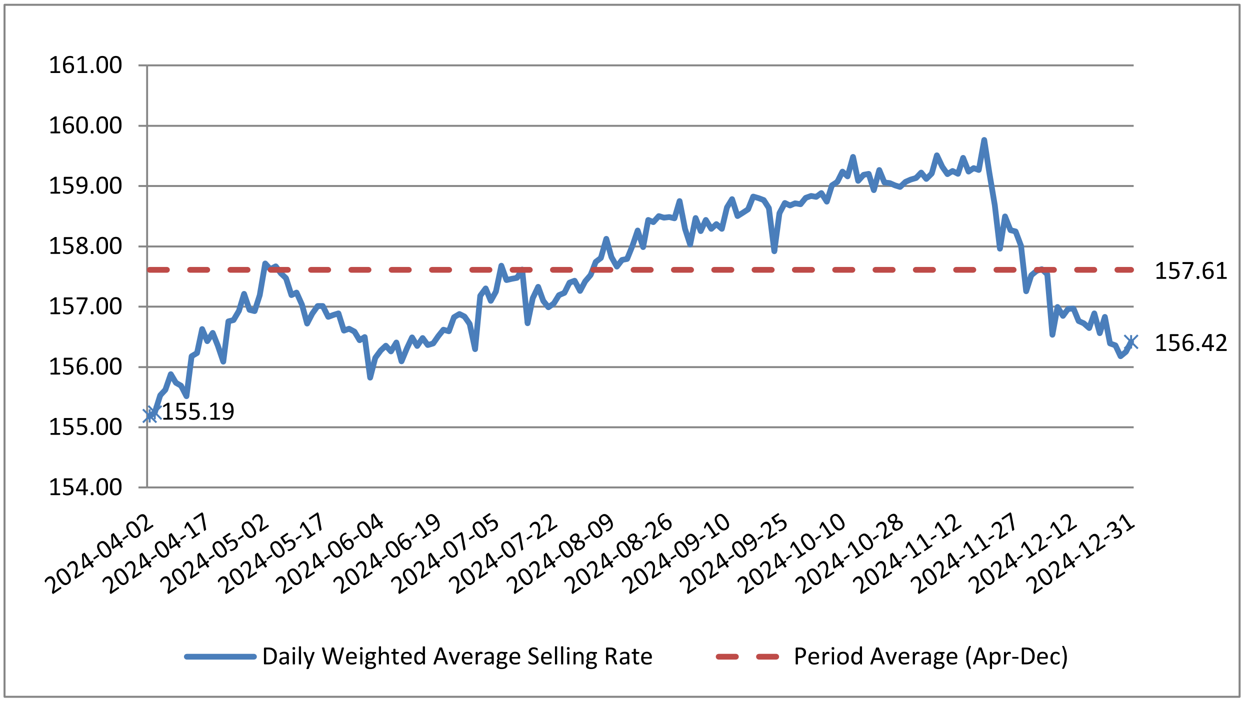
Source: BOJ

Exchange Rates

The GOJ's fiscal accounts are impacted by changes in the exchange rate on both the revenue and expenditure sides. An increase in the exchange rate beyond what was forecasted poses an upside risk to international trade revenues as imported goods and services, and the taxes applied to them are worth more in Jamaica dollar terms. The Jamaica dollar value of grant receipts denominated in foreign currencies also increases as a result of the depreciation of the Jamaica dollar. On the expenditure side, foreign currency debt service and housekeeping expenditure become more expensive in Jamaica dollar terms, posing a downside risk.

Over the April – December period of FY 2024/25, the Jamaica dollar depreciated by 0.8 percent relative to the US dollar, moving from US$1.00 = $155.19 to US$1.00 = J$156.42 (see **Figure VI (i)**). This represents a moderation in the rate of movement compared to the 1.8% depreciation for the corresponding period of FY 2023/24. The average exchange rate for April – December 2024 was J$157.61. At end-December 2024, 62.5% of Central Government debt was denominated in foreign currencies, compared to 62.7% at end-March 2024. The GOJ's medium-term debt management strategy will continue to focus on realigning the debt portfolio in favour of local currency in order to mitigate foreign exchange risk.

Figure VI (i): Daily Exchange Rate Movements of the Jamaica Dollar vis-à-vis the US Dollar



Source: BOJ

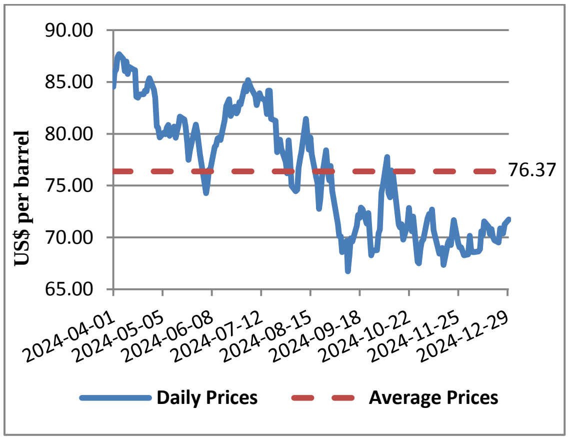
Oil Prices

Above (below) budget oil prices result in increased (decreased) GOJ housekeeping expenditure in areas such as transportation and energy. On the other hand, revenue from the ad valorem portion of SCT on petroleum and petroleum based products would see positive (negative) effects from an increase (decrease) in oil prices. The SCT is structured in such a way that a fixed portion acts as a buffer to price volatility.

The average price for West Texas Intermediate (WTI) crude oil declined during FY 2024/25 to end-December 2024, compared to the corresponding period of the previous fiscal year. The price for the WTI averaged US$76.37/bbl for the period (see **Figure VI (j)**). For the comparable period of FY 2023/24, the WTI averaged US$78.13/bbl. The year-over-year reduction in the average price resulted mainly from increased production despite weakness in global demand. **Figure VI (k)** highlights the difference between oil price projections and actual outturns for FY 2019/20 to FY 2023/24, and the estimated outturn for FY 2024/25. The projected average for FY 2024/25 was US$77.35/bbl, which is higher than the estimated outturn of US$75.33/bbl.

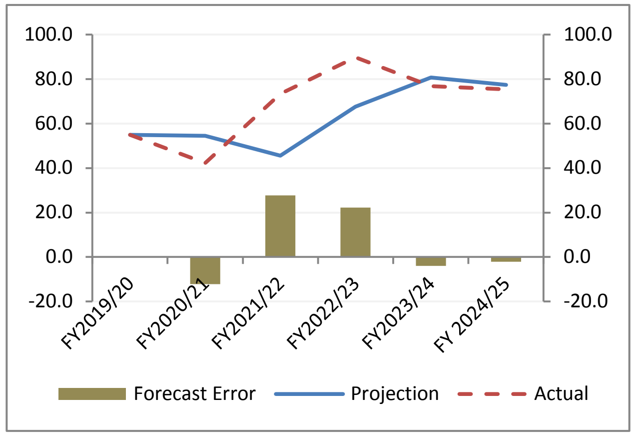
The GOJ continues its Energy Efficiency and Conservation Programme (EECP) and Energy Management and Efficiency Project (EMEP) aimed at promoting energy efficiency and conservation to lower government bills and reduce oil imports.

Figure VI (j): Daily Oil (WTI) Prices FY 2023/24 to end-December



Source: Federal Reserve Bank of St. Louis

Figure VI (k): Average Oil (WTI) Price Projections vs Actual Outturns



Source: BOJ

Sensitivity Analysis of Fiscal Risks

The fiscal risks emanating from both domestic and external sources can have significant effects on the Jamaica's fiscal performance. To better understand the potential impact of these risks on the GOJ's fiscal performance, a sensitivity analysis was conducted. This analysis examines how changes in key variables, such as economic growth, inflation, and interest rates, can affect the GOJ's revenue, expenditure, and debt dynamics.

The sensitivity analysis provides valuable insights into the potential fiscal risks facing the GOJ, and may be utilized to inform policy decisions aimed at mitigating these risks and ensuring the long-term sustainability of Jamaica's public finances.

In each scenario, a shock equivalent to one standard deviation of historical variances between projections and actual outturns is applied to each variable. **Table VI (b) shows** the impact on Revenue, Expenditure, Primary Balance, Fiscal Balance and the Debt-to-GDP ratio of each shock. With the exception of the shock to inflation, all the scenarios show an adverse impact on the fiscal balance relative to the baseline; and in all cases, the results show that the legislative Debt-to-GDP target of 60%, or less, by FY 2027/28 is not achieved. Under these scenarios, it would require appropriate fiscal policy responses for the target to be attained.

Table VI (b): Results of Sensitivity Analysis on the Potential Impact of Fiscal Risks

Scenario	Sensitivity Analysis Results									
	Revenues 2025/26		Expenditures Revenues		Primary Balance Revenues		Fiscal Balance Revenues		Public Debt 2027/28
	% GDP	J$bn	% GDP	J$bn	% GDP	J$bn	% GDP	J$bn	% GDP
1 standard deviation reduction in real GDP growth in FY 2025/26									
Baseline value	31.5%	1,096.1	31.5%	1,095.3	5.1%	177.6	0.0%	0.8	58.8%
Value after shock	30.9%	1,074.6	31.8%	1,107.0	4.3%	151.3	-0.9%	-32.4	66.8%
Difference	-0.6%	-21.5	0.3%	11.7	-0.8%	-26.3	-1.0%	-33.2	8.0%
2 standard deviation increase in inflation in FY 2025/26									
Baseline value	31.5%	1,096.1	31.5%	1,095.3	5.1%	177.6	0.0%	0.8	58.8%
Value after shock	31.0%	1,078.2	30.2%	1,051.9	5.6%	194.3	0.8%	26.3	60.3%
Difference	0.5%	17.4	0.4%	13.9	0.1%	3.5	0.1%	3.5	0.1%
1 percentage point increase in Central Bank's policy rate in FY 2025/26									
Baseline value	31.5%	1,096.1	31.5%	1,095.3	5.1%	177.6	0.0%	0.8	58.8%
Value after shock	31.1%	1,081.5	31.2%	1,086.0	5.0%	175.0	-0.1%	-4.5	64.0%
Difference	0.0	0.0	1.10%	38.3	0.0	0.0	-1.1%	-38.3	-1.1%
10 percentage point increase relative to the baseline depreciation in J$: US$ exchange rate in FY 2025/26									
Baseline value	31.5%	1,096.1	31.5%	1,095.3	5.1%	177.6	0.0%	0.8	58.8%
Value after shock	31.6%	1,100.4	30.3%	1,055.8	6.1%	213.1	1.3%	44.6	60.2%
Difference	-0.1%	-3.5	0.2%	7.0	-0.3%	-10.4	-0.2%	-7.0	-0.2%
1.5 standard deviation increase in the oil price in 2025/26									
Baseline value	31.5%	1,096.1	31.5%	1,095.3	5.1%	177.6	0.0%	0.8	58.8%
Value after shock	31.7%	1,104.7	31.2%	1,085.3	5.6%	196.1	0.6%	19.4	63.6%
Difference	-0.1%	-3.5	0.2%	7.0	-0.3%	-10.4	-0.2%	-7.0	-0.2%

Source: MOFPS

Contingent Liabilities

The Public Debt Management Act (PDMA) defines a contingent liability as: *"an obligation (whether explicit or implicit) that materialises if a particular event occurs; or a potential liability that may occur depending on the outcome of an uncertain future event."* In the case that a financial obligation materialises, fiscal resources could be subject to severe strain as the Government is met with unexpected expenditure requirements over a short period of time. The GOJ's exposure to contingent liabilities may arise from various sources such as, inter alia: climate-related and other disasters (including health shocks), public bodies, public-private partnerships, and judicial awards.

Climate Change and Fiscal Risks

Jamaica Climate Overview[8]

Jamaica's climate is influenced by its location in the Caribbean, with the northeast trade winds, mountains, and surrounding sea shaping its weather patterns. The island has two distinct climate zones: an upland tropical climate prevails on the windward side of the mountains, while a semi-arid climate dominates the leeward side. The average annual temperature in Jamaica is in the mid-twenties on the Celsius scale, with a cooler period from December to March and a warmer period from June to September. Annual rainfall varies significantly across the island, with the north-eastern side receiving the highest average rainfall, typically ranging from 3,000 to 5,000 millimetres. The hurricane season, which runs from June to November, contributes a significant portion of the rainy season precipitation. Jamaica's climate is also affected by the El Niño Southern Oscillation, which influences inter-annual rainfall variability. During El Niño years, the period from June to August is typically warmer and drier, while La Niña years are characterized by colder and wetter conditions during the same period.

Due to its location Jamaica is exposed to climate-related fiscal risks. The island is vulnerable to the effects of climate change, most notably extreme natural hazards such as hurricanes and excess rainfall. Disasters materializing from these hazards often result in extensive infrastructural losses (physical damage) and necessitate huge adjustments to the expenditure and revenue programmes (fiscal impacts). Additionally, revenue could decrease sharply, consequent on the disruption of economic activities, much of which takes place within Jamaica’s coastal zone. The economically valuable tourism, fisheries and agricultural sectors, in particular, are highly vulnerable to climate variability.

Climate change and measures to respond to it have potentially significant physical, macroeconomic and fiscal consequences. The physical consequences include changed precipitation patterns, sea level rise (amplified by storm surges) and more intense and frequent extreme weather events. The potential economic consequences include productivity changes in agriculture and other climate sensitive sectors and financial market disruption. Climate change also affects fiscal positions, through its impact on tax bases and spending programmes. The main focus of this section is climate-related fiscal risks.

Climate-related Fiscal Risks[9]

Climate change creates fiscal risks through physical and transition risks. Physical risks are those associated with the impacts from climate change, and can either be event-driven (including

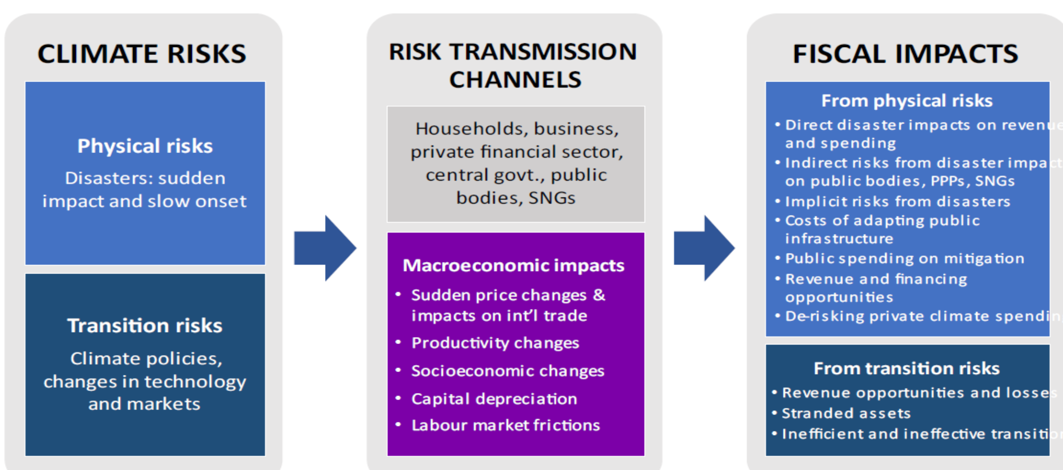
[8] USAID Climate Change Integration Support (CCIS), 2017: Jamaica Climate Risk Profile
[9] IMF Technical Assistance Report, 2023: Jamaica – Fiscal Risks from Climate Change

increased severity of extreme weather events) or arise from longer-term shifts in climate patterns (including sustained higher temperatures, sea level rise, and changing precipitation patterns). These physical risks can translate to fiscal risks through increased exposure of assets to disasters and the associated recovery costs (such as replacing damaged infrastructure after a disaster occurs) as well as through adaptation costs (such as the additional costs of building infrastructure to be more resilient to climate change). Transition risks are the risks arising from the shift to a low-carbon economy due to policy changes (e.g., carbon pricing), technological changes, and changes in consumer and investor preferences. Transition risks include: loss of government revenue derived from fossil fuels, including taxes on fossil fuels such as petroleum; vehicles as the transport sector transitions to electric vehicles; and the loss of value of publicly owned oil refineries, among others.

Climate-related fiscal risks impact public finances through a range of transmission channels. Macroeconomic risks from climate change indirectly impact public finances through the impact of disasters on government response and recovery spending, on tax bases and government revenues and, hence, on the deficit and debt levels. Climate change can also create risks to long-term fiscal sustainability. Climate-related disasters can impact the GOJ indirectly through effects on the private sector and households to the extent that fiscal support is provided to them by the government.

Figure VI (l) illustrates the sources, transmission channels, and fiscal impacts of risks from climate change.

Figure VI (l): Climate-related Fiscal Risks - Sources, Transmission Channels, and Fiscal Impacts



Source: IMF Technical Assistance Report, 2023: Jamaica – Fiscal Risks from Climate Change

Fiscal Impacts of Historical Climate-related Disasters

Historically, weather-related disasters in Jamaica, including those due to droughts, floods, tropical storms and hurricanes, have severely impacted Jamaica's economic and fiscal progress.

During the period from 1990 to 2022, there were twenty-four (24) tropical cyclone events that impacted Jamaica. **Table VI (c)** presents the fifteen (15) events with the highest reported economic losses. Tropical cyclone Ivan (2004) was the most destructive, with overall reported losses estimated at approximately US$386.0mn.

Table VI (c): Historical Economic Losses from Tropical Cyclone Events

Event	Year	Losses (US$mn)
Zeta	2020	0.7
Sandy	2012	13.0
Nicole	2010	8.0
Gustav	2008	8.0
Dean	2007	198.0
Wilma	2005	3.0
Emily	2005	34.0
Dennis	2005	16.0
Ivan	2004	386.0
Charley	2004	41.0
Lili	2002	0.0
Isidore	2002	0.1
Michelle	2001	10.0
Marco	1996	0.3
Gordon	1994	1.0

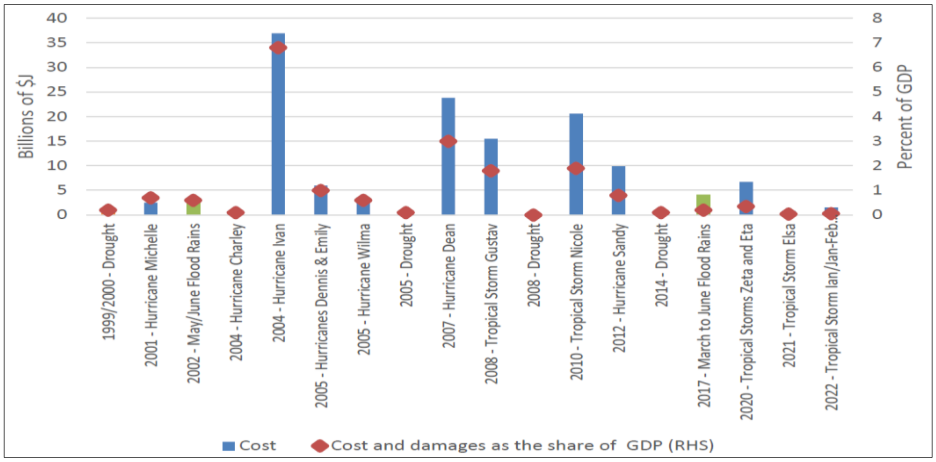
Source: CCRIF – Jamaica Country Risk Profile 2024

A 2018 assessment found that, historically, the GoJ has chosen to reallocate resources to meet the more pressing costs associated with natural disaster response[10]. This reallocation is accounted for outside of the regular budget cycle through mid-year Supplementary Estimates. Analysis of the Supplementary Estimates for the period 2004–2014 showed that, within the 3-month period immediately following a disaster, the gross Supplementary for disaster response financing increased relative to non-disaster years, totaling US$86.0mn. The bulk of the resources were reallocated from the Capital budget.

[10] Jamaica Advancing-Disaster-Risk-Finance', World Bank 2018, pp. 19-23.

Figure VI (m) illustrates the impact of extreme climate-related events between 1999 and 2022.

Figure VI (m): Impact of Extreme Climate-related Events

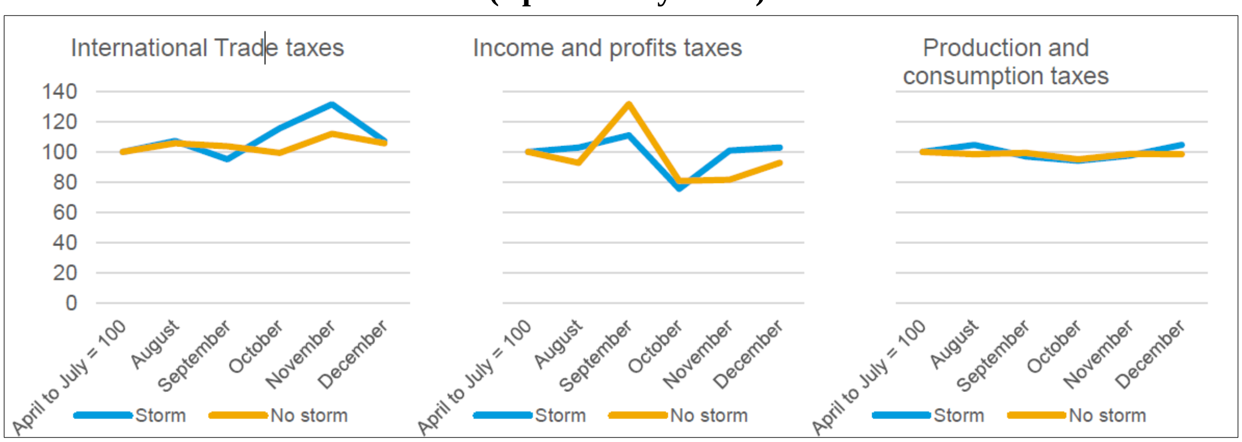


Source: IMF Technical Assistance Report, 2023: Jamaica – Fiscal Risks from Climate Change

Revenue Impacts of Historical Climate-related Disasters

An analysis of the revenue impact of the three most destructive storms that impacted Jamaica during the last two decades: Ivan (September 2004); Dean (August 2007); and Nicole (September 2010) shows a temporary 17.0 percent increase in tax receipts from international trade in October and November, and a 16.0 percent decline in tax receipts on income and profits in September, relative to years during which there were no significant tropical cyclone impacts. Taxes on production and consumption show no change. However, by December the effects netted out and overall revenue collections appeared unaffected. These results can be explained by increases in imports following a storm, together with disruptions to filing tax returns at the end of the second quarter if a large storm happens.

Figure VI (n): Trends in monthly revenues during years with and without large storms (April to July = 100)



Source: IMF Technical Assistance Report, 2023: Jamaica – Fiscal Risks from Climate Change

GOJ's Strategies to Mitigate Climate-related Fiscal Risks

The GOJ has implemented several strategies to reduce and manage the fiscal risks associated with climate change, while others are underway. These include:

- strengthening the Public Investment Management (PIM) system, including climate-sensitive project appraisal and selection (including for PPPs);
- strengthening oversight of public bodies from a climate-aware perspective;
- climate-risk informed land use planning and building codes;
- use of geographic information systems (GIS) in the mapping of hazards and of existing and proposed asset exposures;
- the planned introduction of Climate Budget Tagging in budget preparation and reporting;
- development of asset registers with valuations; and
- building the capacity of MDAs on climate-aware planning.

Additionally, the GOJ has prioritized disaster risk financing (DRF) to mitigate the fiscal impacts of natural disasters. Accordingly, the National Natural Disaster Risk Financing Policy (NNDRFP) was established in FY 2023/24 (approved in the Houses of Parliament in June 2023). The policy proposes a risk-layered approach to disaster risk financing. It emphasises the need for an up-to-date GOJ asset register to facilitate the insurance of public assets, as well as the importance of private insurance to limit the implicit liability of the Government in the event of debilitating private losses.

The risk layering approach adopted by the GOJ to finance risks from natural disasters involves establishing adequate funds and reserves to retain the costs associated with high frequency, low severity events such as floods or heavy rainfall, and transferring risks related to low frequency, high severity events such as major hurricanes and earthquakes through insurance facilities. The GOJ maintains a National Disaster Fund (NDF), and may also utilize funds held in the Contingencies Fund. The GOJ also now has a National Natural Disaster Reserve Fund operationalized during FY 2024/25 that supplements the existing portfolio of risk financing instruments. The NNDRF was established to provide financial resources for the relief, recovery and reconstruction costs associated with a natural disaster (with origins that can be geological, hydro-meteorological or biological).

Financial resources were utilized from the Contingencies Fund and the National Disaster Fund to assist in financing the emergency response and recovery efforts following the passage of Hurricane Beryl in July 2024. The Government also has access US$385.0mn Contingent Line of Credit (CCL) with the IDB available for use in the event that the country is affected by a disaster of a specified magnitude.

Following the December 2023 maturity of the US$185.0mn Catastrophe Bond (CAT bond), the GOJ launched a new CAT bond in 2024. The instrument provides up to US$150.0mn in financial protection against financial losses associated with tropical cyclones for a period of three and a half years, or four hurricane seasons. Pay-outs to Jamaica will be triggered if a named storm event meets the parametric criteria for location and severity in accordance with the terms of the bond.

The Government intends to renew the existing insurance policy with the Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF-SPC) during FY 2025/26. The policy provides financial protection against Tropical Cyclone (TC), Earthquake (EQ) and Excess Rainfall (XSR) events. Total coverage under the FY 2024/25 policy amounts to US$210.3mn. In July 2024, Jamaica received pay-outs triggered by Hurricane Beryl of US$16.6mn (or J$2.6bn) and US$10.3mn (or J$1.6bn) under the Tropical Cyclone and Excess Rainfall policies, respectively.

Mitigating Climate-related Risk to the Financial Sector

Jamaica experienced a devastating financial crisis during the late 1990s where the fiscal cost of the crisis was among the highest globally in recent history (more than 40 percent of GDP). The supervision and regulation of the financial system has improved over the years and a deposit insurance scheme that protects depositors up to J$1.5mn per account is in place. The share of government owned financial institutions is relatively small, reducing the direct fiscal risks from the financial sector. However, potential impacts of major disasters on the financial industry and its transmission channels to the public sector should be carefully considered. The BOJ has been developing capacity to identify climate related financial risks, embed these risks in the supervision framework and implement climate stress testing.

Public Bodies

The operations of public bodies (PBs) pose a risk to the Central Government budget, to the extent that these entities are unable to service debt, whether government guaranteed or otherwise, cover their operating expenses or satisfy their investment needs.

Subject to the Public Bodies Management and Accountability (PBMA) Act, public bodies may only access loans with the approval of the GOJ, which continues its efforts to monitor, account for and facilitate the reduction of the stock of guaranteed and non-guaranteed debt accessed by the SFPBs.

The implementation of the new pay structure proved challenging for some SFPBs. The majority of SFPBs were able to meet the additional cost from internal resources; however, some entities required Central Government assistance to treat with the increased salary payments. These included the National Water Commission, Jamaica Urban Transit Company Limited, and the Transport Authority. Meanwhile, some SFPBs have consistently received support from the Government over the years to supplement the inadequate cash flows generated from their operations. This is particularly so where the entities' operations are geared towards achieving certain economic or social objectives in accordance with GOJ's policy priorities. This group includes the Jamaica Urban Transit Company Limited which continues to provide service at subsidised fares to students and the elderly, while those for adults remain below the economic level. The Universal Service Fund, the Students' Loan Bureau and the Transport Authority are other such entities.

Table VI (d) provides projections for FY 2025/26 in respect of some public bodies which are programmed to receive support from GOJ to assist with operational activities/costs.

Table VI (d): Public Bodies Support from GOJ

Public Body	FY 2025/26	FY 2024/25
Jamaica Urban Transit Company	10,964	10,560
Universal Service Fund	2,386	2,886
Transport Authority	900	928
Students' Loan Bureau *	1,000	379

Source: MOFPS

* Includes allocations for the STEM Programme

Public Bodies with Arrears

The GOJ is cognisant that public bodies with significant arrears are a major source of fiscal risk. As such, the Government continues to manage and monitor these arrears, and ensure they are settled within certain parameters. The GOJ will continue to monitor the domestic arrears of Clarendon Alumina Production Limited (CAP), National Water Commission (NWC), Housing Agency of Jamaica Limited (HAJ), National Health Fund (NHF), National Road Operating and Construction Company Limited (NROCC), the Urban Development Corporation (UDC) and the JUTC, within an established ceiling of $6,400.00mn. In seeking to manage this risk, the Government may encourage PBs to settle within negotiated terms and/or seek to renegotiate payment schedules.

Other Public Body Activities

Cabinet approval was granted in December 2024 for the integration of the functions and operations of the Montego Bay Metro Company Limited (MBM) into the JUTC, and the engagement of processes for the winding up of the MBM. Cabinet also granted approval for the winding up of the Jamaica Ultimate Tyre Company Limited (JuTyre) and its associated activities. Given the rationalisation of the MBM and JuTyre operations, the budget for these

Public Bodies are not included in the publication for self-financing public bodies for FY 2025/26.

Public Private Partnerships[11]

PPPs represent an important mechanism to undertake infrastructure upgrade and development in partnership with the private sector. This mechanism allows the Government to leverage private sector expertise and capital to facilitate the enhanced delivery of public infrastructure and services. Nonetheless, PPPs may present fiscal risks to Government if not appropriately structured and managed. The enhanced fiscal rules which were adopted through amendments to the Financial Administration and Audit (FAA) Act and PBMA Act in March 2014, have put in place the institutional changes required to ensure fiscal responsibility in the development and implementation of PPP projects. The PPP Units of the Development Bank of Jamaica and the Ministry of Finance and the Public Service continue to collaborate in reviewing and assessing PPP transactions.

There are currently five (5) commercial/user-pays concession agreements in operation. These are the agreements for the Norman Manley International Airport (NMIA), Kingston Container Terminal (KCT), Sangster International Airport, the North-South Highway and the East West Highway 2000. Consequent on the impact of the COVID-19 pandemic, four (4) of the existing concessionaires have submitted claims or notice of their intent to claim under the provisions of the respective concession agreements.

PPPs In Progress

The following PPP transactions are currently in progress:

- Rio Cobre Water Treatment Plant

The NWC is pursuing the development of a 25-year Water Purchase Agreement for the financing, construction, operation and maintenance of a Water Treatment Plant in Content, St. Catherine with a capacity of 15 million gallons per day (mgd). The Water Purchase Agreement was approved by way of Cabinet Decision No. 38/22 dated November 14, 2022. Consequently, the WPA between the NWC and the private investor was executed on November 29, 2022 and activities are still being pursued to achieve financial closure.

- Schools Energy Efficiency and Solar Project

[11] A public private partnership is a long-term procurement contract between the public and private sectors, in which the proficiency of each party is focused on the designing, financing, building and operating an infrastructure project or providing a service, through the appropriate sharing of resources, risks and rewards (GOJ Policy and Institutional Framework for the Implementation of PPPs, 2012).

The Ministry of Education and Youth through the National Education Trust (NET) is pursuing an energy efficiency and solar energy pilot project in 30 secondary schools by way an Energy Savings Performance Contract (ESPC). Under the arrangement, the private investor is to undertake the financing, installation and maintenance of photovoltaic generation systems and energy efficiency retrofits to reduce the cost of electricity at the schools selected as part of the pilot project. Consequent on Cabinet's approval of the terms therein, the ESPC between the NET and the private investor was executed on March 29, 2022 and activities are being pursued to facilitate financial closure.

Judicial Awards

Legal claims against the GOJ may have costly and unexpected implications if judgements are made in the favour of plaintiffs. Judicial awards pose a risk to the Government's fiscal position, as an unplanned increase in expenditure could crowd out planned expenditure, resulting in new revenue measures, or necessitating additional borrowing.

The MOFPS collaborates with the Ministry of Justice (MOJ) to monitor the progress of current and pending cases against the GOJ. Close monitoring ensures that proper expenditure planning is executed, and included in the budget should there be a ruling against the Government.

Other Specific Risks

Wage Settlements

The public wage bill can pose a risk to GOJ expenditure in the event that wage settlements exceed budget and/or are not concluded in time for the budget. As such, the Government is seized with the importance of properly managing the attendant wage bill pressures, in order to minimize any potential fiscal risk. The Government commenced implementation of the new public sector compensation structure during the third quarter of FY 2022/23, replacing the previous system that presented fiscal risks due largely to its complexity. The third and final year of implementation of the public sector compensation restructure was undertaken in FY 2024/25.

Monetary Policy

The Bank of Jamaica Act outlines, in Part III - Capital and Reserve, that net profits in excess of five times the Bank's authorized capital or losses exceeding the amount of the General Reserve Fund, at the end of each financial year, are transferrable to the Central Government. Consequently, the operations of the Central Bank represent a source of fiscal risk. This risk, however, has been mitigated through the implementation of the Bank of Jamaica (Amendment) Act, 2020 which became effective in April 2021, entrenching price stability as the Bank's primary objective while strengthening its governance, accountability and financial arrangements.

Government Policy Changes

While changes in government policy might be necessary in response to changing economic conditions and developments, the GOJ is cognizant that its fiscal position and targets are sensitive to policy changes implemented post-budget. The GOJ will continue to actively monitor possible policy impacts on revenue and expenditure, and stands ready to take the necessary compensatory measures to minimize or prevent fiscal fallout.