

GOVERNMENT OF JAMAICA

FISCAL POLICY PAPER FY 2026/27

(As Presented)

12th February 2026

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PART 1

FISCAL RESPONSIBILITY STATEMENT

Introduction

During the third quarter of FY 2025/26, the Jamaican economy registered significant real growth of 5.1 percent, which was largely due to increases in Goods Producing Industries (10.9 percent) and the Services Industries (3.3 percent). While in recovery from the impact of Hurricane Beryl in early July 2024, the economy (particularly the western parishes) was again impacted by a hurricane on October 28th, 2025 - Hurricane Melissa. Melissa substantially impacted the Agriculture, Forestry and Fishing sub-industry as well as the Accommodation & Food Service Activities sub-industry. As a result, the real economy is estimated to register a decline of 4.5 percent for FY 2025/26.

The Government of Jamaica's (GOJ), Disaster Risk Financing (DRF) Framework proved to be beneficial as, following the passage of Hurricane Melissa, all of the disaster risk instruments were triggered – that is the CCRIF SPC (US\$88.9mn), Cat Bond (US\$150.0mn plus refund of US\$6.7mn), the CCF (US\$300.0mn), CAT-DDO (US\$41.8mn) and the RFI (US\$417.8mn).

Provisional data for the April – December 2025 period, show that the Central Government's fiscal and primary balances performed better than the Third Supplementary Budget targets by 42.4 percent and 19.7 percent, respectively. The Revenue & Grants exceeded target by 1.1 percent while Expenditure (net of amortization) experienced a shortfall equivalent to 1.1 percent. The Government of Jamaica's outlook for the current FY indicates fiscal and primary balances of negative 3.8 percent and 1.3 percent of GDP respectively.

The Statistical Institute of Jamaica (STATIN) recorded the October 2025 unemployment rate as stable at 3.3 percent, compared to the similar period in 2024, when it was 3.5 percent. Annualized inflation at December 2025, stood at 4.5 percent, within the central bank's targeted range of 4-6 percent.

During FY 2026/27 the government, through the National Reconstruction & Resilience Authority (NaRRA), will commence post-disaster reconstruction and resilience activity following Hurricane Melissa. NaRRA will be primarily financed from the National Natural Disaster Reserve Fund (NNDRF) to which disbursements from the disaster risk instruments and other funds slated for Hurricane Melissa recovery efforts were and will be directed.

As a result of the significant fiscal and economic impact of Hurricane Melissa, the fiscal rules embedded in the Fiscal Responsibility Legislation (FRL) were temporarily suspended in December 2025 for a period up to end-March 2027. During FY 2026/27, and throughout the

medium term, the GOJ will be pursuing specific actions to attain a debt-to-GDP ratio of 60.0% by end-FY 2029/30.

Commitment to Fiscal Responsibility

Good fiscal management is characterized by fiscal operations executed in an efficient and sustainable manner, such that the government can adequately respond to the needs of its citizens following a natural disaster. The Jamaica Government's response to Hurricane Melissa, which included the provision of emergency food packages, setting up of field hospitals and the procurement of modified container homes demonstrated good fiscal management. The GOJ's response also includes the recently launched "ROOFS Programme" where inhabitants of dwellings that had lost roofs, are eligible for assistance. This programme is being managed by the MLSS at a cost of \$10bn. Citizens look to their government in times of crisis to provide support and assistance as they recover and the GOJ has delivered on this mandate.

Table 1A: Summary of Economic Performance

	Unit	FY 2024/25 (Actual)	FY 2025/26 (Actual)	FY 2026/27 (Projection)
Real GDP Growth Rates	%	-0.5	-4.5	-0.5
Inflation (Annual Pt to Pt)	%	5.0	10.0	5.1
BOJ Policy Rate (e-o-p)	%	5.7	Market sensitive	Market sensitive
Unemployment Rate (July/October Labour Force Survey)	%	3.5	3.3	Not available
Exchange Rate (weighted average selling rate)	J\$=US\$1	157.63	Market sensitive	Market sensitive
Treasury Bill (average 6-month)	%	5.70	Market sensitive	Market sensitive
Current Account	% of GDP	3.0	-0.1	-6.8
Net International Reserves (NIR), (e-o-p)	US\$m	5,785.5	6,079.1	5,157.5
Gross Reserves (Goods & Services Imports)	Weeks	30.6	26.7	22.1
Fiscal Accounts				
Central Government Primary Balance	% GDP	5.4	1.3	0.5
Central Government Fiscal Balance	% GDP	0.2	-3.8	-4.9
Public Bodies Overall Balance	% GDP	2.4	0.2	0.5
Public Sector Balance	% GDP	2.7	-3.7	-4.4
Debt Stock	% GDP	62.4	68.9	65.7

Sources: MOFPS/BOJ/STATIN/PIOJ.

Notable Fiscal Developments

Fourth Supplementary Estimates

The Fourth Supplementary Estimates for FY 2025/26, was tabled on February 3rd 2026 and its aim was primarily to regularise a total \$14.360bn, of which \$13.4bn was utilized in the Hurricane Melissa response to address: (i) \$10bn to fund the Restoration of Owner or Occupant Family Shelter (ROOFS) Programme, a one-off housing grant to finance eligible households in the most affected parishes; (ii) additional fiscal support to the Development Bank of Jamaica's M5 Business Recovery Programme amounting to \$3bn; and (iii) \$400 million to the Ministry of

Health and Wellness to be utilized under Phase 1 of the Hurricane Melissa Rehabilitation Programme for Public Health. The remaining amount of \$960 million relates to an initial payment for the expansion of Jamaica’s subsea fibre connectivity.

Legislative Amendment to Filing Date: Company Profits Tax

Bills to amend the Income Tax Act and Assets Tax (Specified Bodies) Act, to change the filing and payment dates to April 15 of each year have been tabled. Benefits that arise from this change are; (i) companies will get an additional month to make their final payments, thus easing cash flow pressures; and (ii) by shifting the date to April of each year, the government will have time during the fiscal year to adjust the fiscal programme where significant deviations from forecast occur.

Rating Agencies Actions following Hurricane Melissa

In December 2025, Moody’s Ratings, upgraded the Government of Jamaica’s long-term issuer and senior unsecured ratings to Ba3 from B1, while the outlook was changed from positive to stable. This upgrade, post Hurricane Melissa, reflects the long-term strengthening of Jamaica’s institutional and policy frameworks, which have anchored fiscal discipline, bolstered financial sector oversight and enhanced disaster risk management. S&P Global and Fitch ratings agencies reaffirmed their respective ratings of BB and BB- following Hurricane Melissa.

Monetization of GOJ Portion of the Sangster International Airport Revenue

The Government of Jamaica (GOJ) acting through the Ministry of Finance and the Public Service monetized the GOJ portion of the Sangster International Airport Revenue for US\$400 million through the issue of a 10-year bond in the international capital markets by a special purpose vehicle, Montego-Bay Airport Revenue Finance Limited, who was granted temporary rights to the revenue. The funds received by the GOJ are facilitating infrastructure works and public debt reduction. This transaction follows monetization of the GOJ portion of the Norman Manley International Airport Revenue in fiscal year 2024/25 which received “Infrastructure Financing of the Year: Caribbean Award” from Latin Finance in October 2025.

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 2025. 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 2025/26 (captured in Table 1B) and from which fiscal and primary balances are generated are based on actual cash expenditure to December 2025 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 2026/27. The Auditor General recently recertified two public sector agencies as being commercial in nature and these are therefore not a part of the Specified Public Sector. This recertification takes effect on April 1st 2026.

Table 1B: Medium Term Fiscal & Debt Indicators

<i>(J\$mn)</i>	Actual	Actual	Actual	Est.	Proj.	Proj.	Proj.	Proj.
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
<i>Revenue & Grants</i>	827,775.1	925,283.0	1,058,575.6	1,069,133.9	1,083,532.3	1,172,181.8	1,258,485.2	1,335,261.7
<i>of which Tax Revenue</i>	752,841.1	831,573.9	882,755.8	869,012.0	979,368.3	1,065,153.4	1,145,700.8	1,214,439.9
<i>Expenditure</i>	819,989.0	924,110.8	1,050,899.6	1,203,750.7	1,274,191.1	1,309,675.2	1,360,698.7	1,421,543.4
<i>of which Wages & Salaries</i>	317,884.6	378,213.2	423,004.4	487,064.9	519,460.8	553,588.4	584,878.4	622,759.3
<i>of which Interest</i>	151,375.0	172,165.3	180,008.7	181,764.3	210,955.7	202,696.7	187,291.0	174,861.8
<i>Cent Govt Fiscal Balance</i>	7,786.1	1,172.3	7,675.9	-134,616.8	-190,658.9	-137,493.5	-102,213.5	-86,281.7
<i>Cent Govt Primary Balance</i>	159,161.1	173,337.5	187,684.7	47,147.5	20,296.8	65,203.3	85,077.5	88,580.1
Domestic Debt	799,313.3	831,496.1	822,517.0	1,045,919.2	1,152,995.4	1,274,660.6	1,330,172.1	1,397,683.5
External Debt	1,299,876.2	1,395,577.8	1,397,473.5	1,461,140.0	1,473,135.4	1,524,577.4	1,607,936.9	1,673,838.3
Net Public Bodies	22,247.7	-5,071.6	-36,196.9	-74,196.3	-90,811.4	-113,978.0	-133,949.3	-157,036.1
Total Debt	2,121,437.2	2,222,002.4	2,183,793.6	2,432,862.8	2,535,319.4	2,685,260.1	2,804,159.7	2,914,485.7
<i>(% GDP)</i>								
<i>Revenue & Grants</i>	27.4%	27.7%	30.3%	30.3%	28.1%	28.0%	27.9%	27.9%
<i>of which Tax Revenue</i>	24.9%	24.9%	25.3%	24.6%	25.4%	25.4%	25.4%	25.4%
<i>Expenditure</i>	27.1%	27.7%	30.1%	34.1%	33.0%	31.2%	30.1%	29.7%
<i>of which Wages & Salaries</i>	10.5%	11.3%	12.1%	13.8%	13.5%	13.2%	13.0%	13.0%
<i>of which Interest</i>	5.0%	5.2%	5.2%	5.1%	5.5%	4.8%	4.1%	3.7%
<i>Cent Govt Fiscal Balance</i>	0.3%	0.0%	0.2%	-3.8%	-4.9%	-3.3%	-2.3%	-1.8%
<i>Cent Govt Primary Balance</i>	5.3%	5.2%	5.4%	1.3%	0.5%	1.6%	1.9%	1.8%
Domestic Debt	37.7%	37.4%	37.7%	43.0%	45.5%	47.5%	47.4%	48.0%
External Debt	61.3%	62.8%	64.0%	60.1%	58.1%	56.8%	57.3%	57.4%
Net Public Bodies	1.0%	-0.2%	-1.7%	-3.0%	-3.6%	-4.2%	-4.8%	-5.4%
Total Debt	77.1%	73.3%	62.4%	68.9%	65.7%	64.0%	62.1%	60.9%

Source: MOFPS

Conclusion

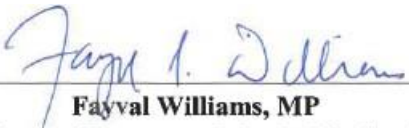
Jamaica's economy, following Hurricane Melissa's catastrophic impact on the island in October 2025, is not anticipated to return to positive quarterly real growth until the third quarter (December) of FY 2026/27. The outlook for real growth next fiscal year is projected to be negative 0.5 percent. Despite the significant impact of the hurricane, the economy is again in *full recovery mode* and it is anticipated that the rebuilding of critical infrastructure will commence during FY 2026/27.

Unemployment remains low at 3.3 percent and its steady reduction has contributed to Jamaica's "50-year low" poverty rate of 7.8 (PIOJ) percent in 2024. Annual point-to-point inflation as at December 2025 was 4.5 percent, well within the central bank's target range of 4-6 percent. The Monetary Policy Committee, at its meeting in December 2025, kept its policy rate at 5.75 percent. According to the IMF's World Economic Outlook (January 2026), global growth is forecast at 3.3 percent for 2026 and 3.2 percent for 2027, marginally higher than the projection in the October 2025 **World Economic Outlook**.

Climate Change continues to pose challenges to the country, and we must seek to build back with greater resilience. We will continue to strengthen our infrastructure and seek to boost our fiscal resilience. The government, through the Ministry of Finance & the Public Service, will be ensuring that adequate financing for the rebuilding phase of the Hurricane Melissa response is available by engaging and negotiating with our multilateral partners.

Jamaica, as we recover from Hurricane Melissa, is projected to achieve real growth rates of 3.3 and 2.6 percent in FY 2027/2028 and FY2028/2029 respectively. Thereafter, an annual growth rate of 1 percent is projected. We must strive to achieve real growth rates of 4-7 percent or higher each year to increase tax revenues and increase our fiscal space to meet the higher public expenditure needs. Our education and health infrastructure need significant financing to drive economic and social development as we continue to pursue 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 12, 2026

PART 2

MACROECONOMIC FRAMEWORK

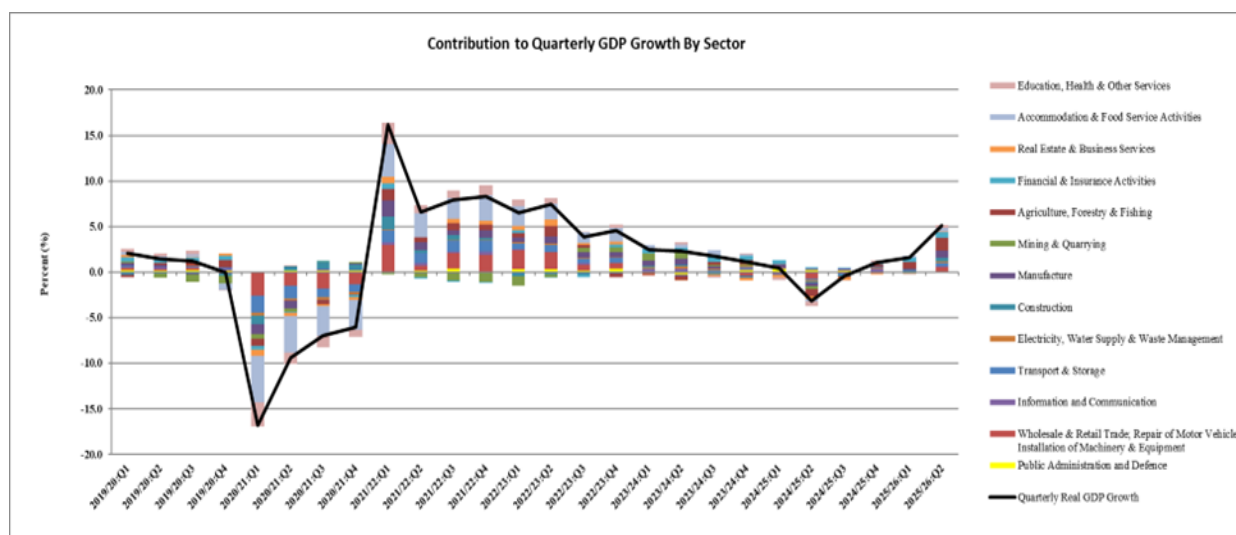
Overview of Macroeconomic Developments FY 2025/26

Over the April to September 2025 period, the Jamaican economy recorded significant growth with Real GDP growing by approximately 3.3 percent relative to the contraction of 1.4 percent during the corresponding period of 2024. The April to September 2024 period reflected the impact of Hurricane Beryl which struck in July 2024, derailing economic expansion, as reflected by reductions in value added from both the Goods-Producing and Services sectors by 2.7 percent and 1.0 percent respectively.

By contrast, during the first half of FY 2025/26, both the Goods-Producing and Services sectors reflected increases in value added of 7.2 percent and 2.1 percent, respectively. Outside of external shocks to the economy, particularly by way of natural disasters, the positive growth trajectory is generally resilient and underpinned by prudent fiscal policies and a gradual yet sustained easing of monetary policy.

During the review period, three out of four sub-industries within the Goods Producing Industry expanded. At the same time, all sub-industries within the Services Industry reflected growth in value added. Expansion in both the Goods and Services Industries reflected a rebound from the curtailment in economic activity as a result of the passage of Hurricane Beryl in the prior year. The performance of Jamaica's economy during April to September 2025 was a combination of minimal growth in the first quarter and much stronger growth in the second quarter of the fiscal year. This is highlighted in Figures 2A(i), 2A(ii) and 2A(iii) below.

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



Source: STATIN

During the first half of FY 2024/25, the Bank of Jamaica (BOJ) eased monetary policy via its benchmark rate with a cumulative 100 basis points cut. However, during the current fiscal year to date, the BOJ has reduced its benchmark rate by only 25 basis points. Inflation has remained within the target range of 4.0 to 6.0 percent from September 2024 through December 2025, as the Bank of Jamaica (BOJ) remained conservative with its monetary policy easing, influenced by the economic uncertainty arising from unpredictability in US Foreign Policy, particularly with regard to US tariff policy. Conditions in the labour market have remained favourable.

On the external side, the positive performance continued across the April to June 2025 period, with the current account balance recording a surplus, though lower than that achieved during the first quarter of the previous fiscal year.

Economic conditions are expected to deteriorate materially in the second half of the fiscal year due to the ravaging effects of Hurricane Melissa which made landfall on the Western end of the island as a category 5 hurricane. Among the parishes that were devastated was the “bread basket” parish of St Elizabeth and the entire North Coast Tourism corridor, which means both Agriculture, Forestry & Fishing and Accommodation & Food Service Activities are expected to reflect significant contractions in value-added during the December quarter, in particular. For the full fiscal year, growth in real GDP is projected to be completely reversed and unemployment is also expected to spike in the short-term as several large hotel chains furlough workers to effect major repairs to property prior to reopening. Inflation is also estimated to exceed the target range as a result of Hurricane Melissa.

Notwithstanding the scale of damage incurred by the passage of Hurricane Melissa, and the substantial financing and reconstruction required, the fiscal policies of the Government of Jamaica (GOJ) continue to support macroeconomic stability, with a steadfast commitment to fiscal responsibility. Over the past five 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, as a percentage of GDP, remained relatively stable despite the adverse impact of two consecutive years of hydro-meteorological events during the period.

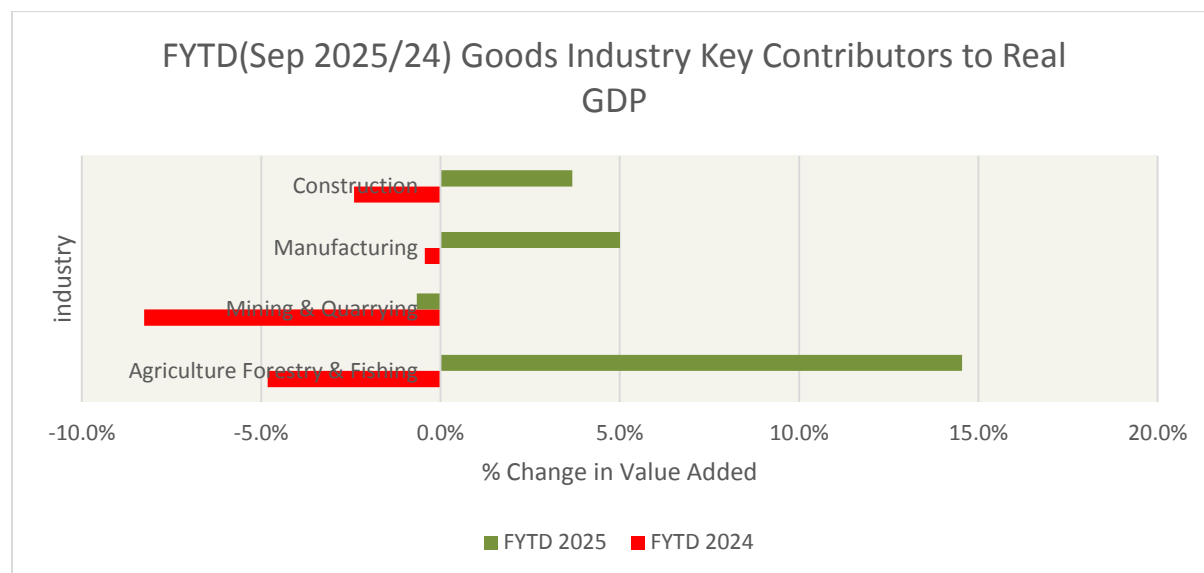
The following Macroeconomic Framework details developments in the real sector, labour market, monetary sector and external sector. Additionally, a medium term macroeconomic profile is provided, alongside an overview of international developments and changes in international commodity prices.

Real Sector Developments

Economic Performance for the period April to September of FY 2025/26

The Jamaican economy grew by 3.3 percent in the first half of FY 2025/26, rebounding from the contraction last year that was due to adverse meteorological events, with expansions in both the Goods Producing and Services Industries.

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

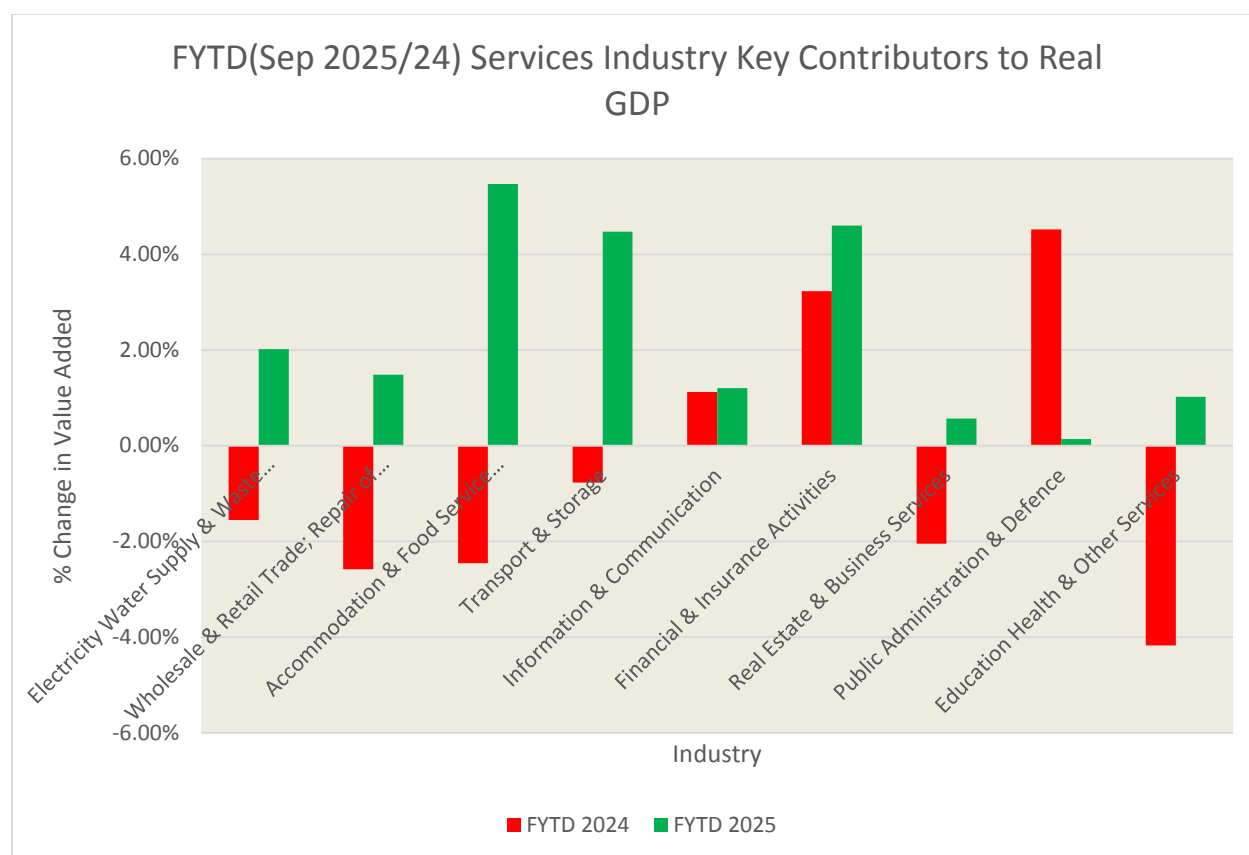


Source: STATIN

All sectors within the Goods Producing Industry expanded, except for ‘Mining & Quarrying’ which contracted (0.7 percent). Overall, the industry expanded. There were increases in Agriculture, Forestry & Fishing (14.5 percent), Manufacturing (5.0 percent) and Construction (3.7 percent).

Notably, output from Mining & Quarrying declined by 4.8 percent in the first quarter but grew by 4.0 percent in the second quarter of the fiscal year, which led to an overall contraction for the first half of the fiscal year. The decline in Mining & Quarrying resulted from declines in both alumina and bauxite production during the period. The out-turn for Agriculture, Forestry & Fishing largely reflected favourable weather conditions which supported strong growth across all sub-categories including animal farming. Real Value added in the Manufacturing industry was buoyed by growth in Other Manufacturing and the Food, Beverage and Tobacco sub-industries. Growth in Construction occurred as a result of expansion in the Building, Construction and Other Construction sub-industries, supported by an increase in housing starts by the NHT and higher capital expenditure on civil engineering activities.

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



Source: STATIN

During FY 2025/26 to September 2025, expansion was recorded in all nine sub-industries within the Services Industry. Growth in real value added was reflected across the Services sub-industries as follows: Electricity & Water Supply (2.0 percent), Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment (1.5 percent), Accommodation & Food Service Activities (5.5 percent), Transport & Storage (4.5 percent), Information & Communication (1.2 percent), Financial & Insurance Activities (4.6 percent), Real Estate & Business Services, (0.6 percent), Public Administration & Defence (0.1 percent), Education Health & Other Services (1.0 percent).

For the April to September 2025 period, total visitor arrivals including cruise passengers increased by 3.84 percent or 67,674 arrivals compared to the corresponding period one year prior. This uptick in visitor arrivals contributed to increased value added in the 'Accommodation and Food Services' Industry which increased 5.5 percent during the review period. Notably, the increase in arrivals over the period relative to last year largely reflects a return of passengers who abstained from travel last year due to the passage of Hurricane Beryl.

Figure 2B(i): Total Visitor Arrivals to Jamaica Annually

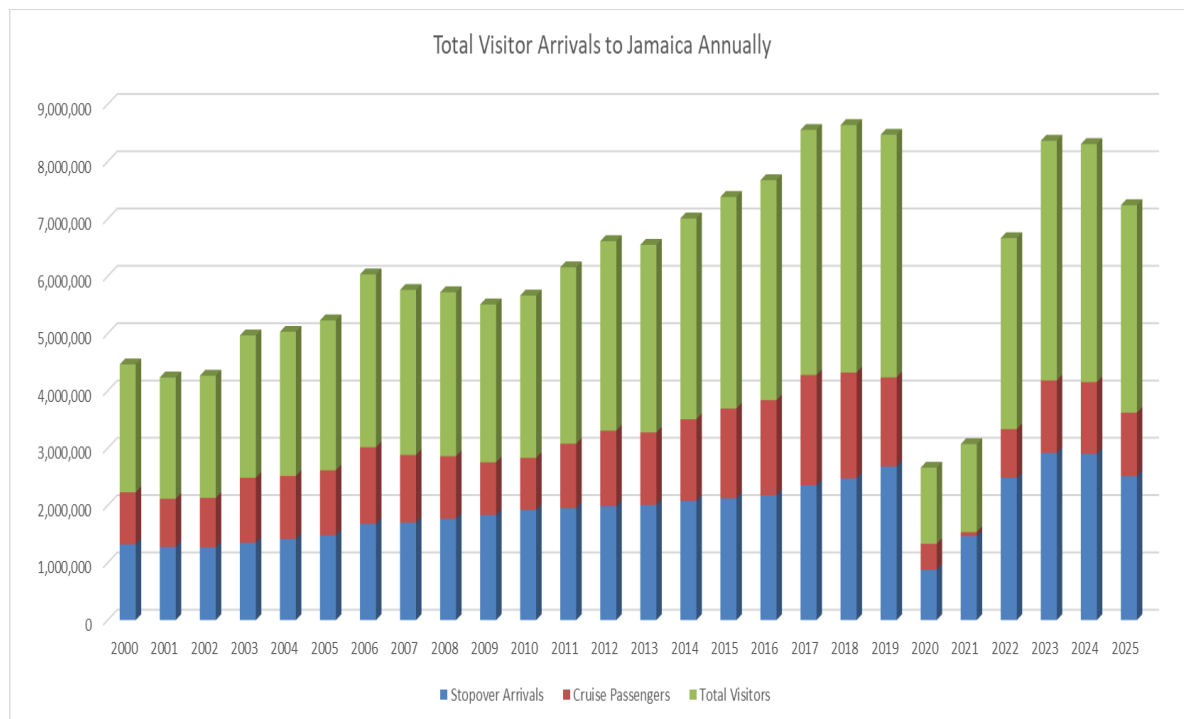


Table 2C: Percentage Change in Value Added by Industry at Constant (2015) Prices

	FY 2022/23 Apr-Sept	FY 2023/24 Apr-Sept	FY 2024/25 Apr-Sept	FY 2025/26 Apr-Sept
GOODS PRODUCING INDUSTRY	1.9	5.0	-2.7	7.1
Agriculture, Forestry & Fishing	10.3	-3.9	-4.8	14.5
Mining & Quarrying	-48.1	107.4	-8.3	-0.7
Manufacturing	7.9	6.5	-0.4	5.0
Construction	-5.1	2.7	-2.4	3.7
SERVICES INDUSTRY	8.6	1.6	-1.0	2.1
Electricity, Water Supply & Waste Management	4.8	7.7	-1.6	2.0
Transport & Storage	13.3	0.0	-0.8	4.5
Information & Communication	1.3	8.5	1.1	1.2
Wholesale & Retail Trade; Repair of Motor Vehicles; Installation of Machinery & Equipment	11.4	-0.3	-2.6	1.5
Financial & Insurance Activities	1.1	4.8	3.2	4.6
Real Estate & Business Services	4.3	-0.3	-2.0	0.6
Public Administration & Defence	4.6	-2.4	4.5	0.1
Accommodation & Food Service Activities	49.5	7.9	-2.5	5.5
Education, Health & Other Services	6.1	0.0	-4.2	1.0
REAL GDP GROWTH	6.9	2.4	-1.4	3.3

Source: STATIN

Labour Market Development

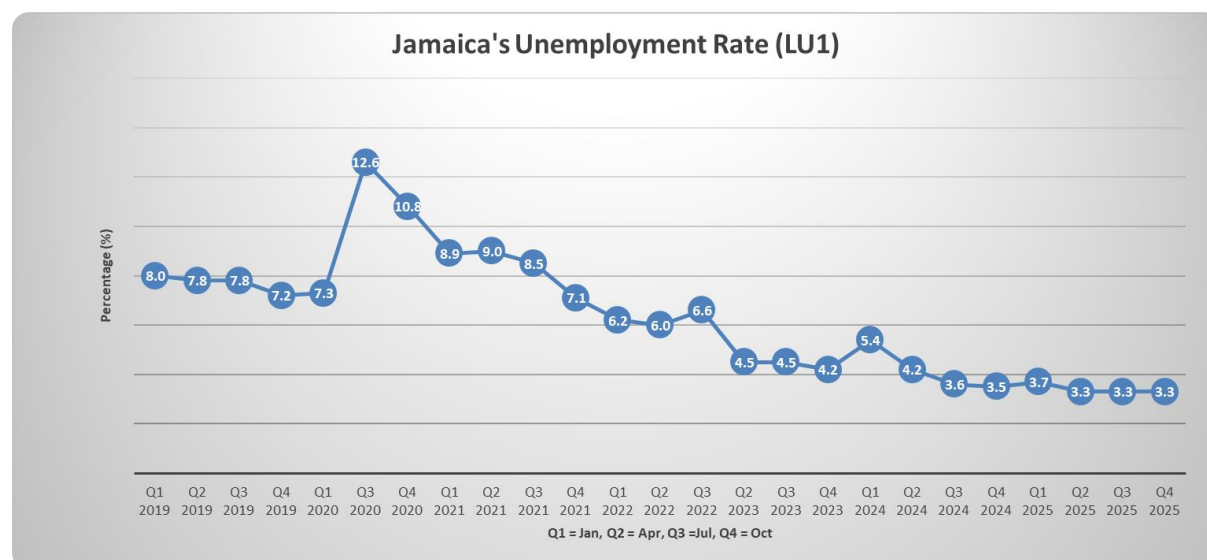
The October 2025 Labour Force Survey (LFS) undertaken by the Statistical Institute of Jamaica (STATIN) has indicated that employment levels in October 2025 remained largely unchanged compared with the same period in 2024. A total of 1,413,200 persons were employed, reflecting a decline of 3,800 individuals. The number of unemployed persons is estimated at 48,800, down from 51,300 the previous year. Meanwhile, 693,800 individuals were outside the labour force, an increase of 6,300 persons. These shifts resulted in an unemployment rate of 3.3 percent compared with 3.5 percent in October 2024. Notably, the LFS which had a reference week of October 5–11, 2025, provides a snapshot of Jamaica's labour market prior to the passage of Hurricane Melissa on October 28, 2025. Therefore, an uptick in unemployment is expected in the next LFS undertaken in January 2026, driven primarily by furloughed workers in the Tourism industry.

The October 2025 LFS reflected lower labour force participation as 6,300 persons left the labour force during the period, leading to a total of 1,462,000 individuals compared to 1,468,300 in October 2024. The male labour force fell by 11,900 to 777,200 individuals, while the female labour force increased by 5,600 to 684,800 individuals. The overall labour force participation rate was 67.8 percent relative to 68.1 percent in October 2024.

Jamaica recorded 48,800 unemployed individuals in October 2025 compared to 51,300 individuals in October 2024, representing an unemployment rate (Labour Underutilization indicator 1 – LU1) of 3.3 percent as at October 2025. The decline in the number of unemployed persons was largely attributed to a fall in the number of unemployed youth by 2,200 persons to 19,400 persons. The unemployment rate for males remained unchanged at 2.6 percent, while the rate for females fell marginally to 4.2 percent.

In October 2025, the employment to population ratio fell to 71.5 percent from 72.6 percent in October 2024; this was primarily due to the decline in the total labour force. The number of persons outside the labour force was 693,800, an increase of 6,300 persons compared with October 2024. This was largely associated with increases in the number of males outside the labour force, which rose by 11,800 to 281,500 persons, and youth, which increased by 12,600 to 306,900 persons. In contrast, there were 5,500 fewer females outside the labour force, bringing the total for females to 412,300 persons.

Table 2D(i): A Historical Trend of Jamaica's Unemployment Rate



Source: STATIN

Exchange Rate

The nominal exchange rate at end-December 2025 represented a depreciation of 2.08 percent over the end-December 2024 rate. The weighted average selling rate at end-December 2025 was US\$1.00 for J\$159.74. This relatively modest depreciation in the local currency represents the general stability in the foreign exchange market, supported by improved supply conditions facilitated by strategic interventions by the Bank of Jamaica (BOJ) via its Foreign Exchange Intervention & Trading Tool (B-FXITT). Notably, the BOJ intervened 36 times in the market selling a total of US\$1.13 billion to end-users in CY 2025 relative to 37 interventions in CY 2024 totalling US\$1.07 billion. The Jamaica dollar relative to the US dollar depreciated by 0.87 percent for the April to December 2025 period, while the local currency appreciated 0.92 percent during the month of December to close the year at J\$159.74 for US\$1.00.

Inflation

Annual inflation reported as at December 2025 was 4.5 percent, well within the BOJ's target range of 4.0 to 6.0 percent. This is 0.2 percentage point higher than the November 2025 out-turn at 4.3 percent, and 0.5 percentage point lower than inflation of 5.0 percent reported as at December 2024. Factors which influenced this slower pace of growth in prices relative to the same period last year, included a downward trend in global commodity prices, and prudent monetary and fiscal policies.

The All Jamaica ‘All Divisions’ Consumer Price Index increased from 143.5 to 150.0. The movement in the consumer price index for CY 2025 was heavily influenced by the ‘Food and Non-Alcoholic Beverages’ division which recorded an increase of 7.1 percent due to increases in the Vegetables (up 11.1 percent), Fish and Seafood (up 12.3 percent), and Fruits and Nuts (14.0 percent) groups. The elevated level in food prices was due to adverse weather conditions primarily associated with Hurricane Melissa that resulted in a sharp reduction in agricultural output. Other primary contributors to inflation included ‘Housing, Water, Electricity, Gas and Other Fuels’ (up 3.5 percent) and ‘Restaurant and Accommodation Services’ (up 3.9 percent).

Table 2D(ii): All Jamaica ‘All Divisions’ and Division Indices and Movements.

All Jamaica ‘All Divisions’ and Division Indices and Movements (Base period December 2019 = 100)							
	Dec 2024 Index	Mar 2025 Index	Nov 2025 Index	Dec 2025 Index	Monthly % change for Dec 2025	FY 25/26 to Dec 2025 (% change)	CY 2024 to Dec 2025 (% change)
ALL DIVISIONS - ALL ITEMS	143.5	141.8	148	150	1.4	5.8	4.5
1 Food and Non-Alcoholic Beverages	162.6	155.6	170.7	174.1	2.0	11.9	7.1
2 Alcoholic Beverages and Tobacco	135	136	138	138.2	0.1	3.4	2.4
3 Clothing and Footwear	127.7	128.9	131.4	131.8	0.2	2.2	3.2
4 Housing, Water, Electricity, Gas and Other Fuels	128.6	131.1	129.7	133.1	2.6	-0.8	3.5
5 Furnishings, Household Equipment and Routine Household Maintenance	142.6	143.3	146.9	147.2	0.2	2.7	3.2
6 Health	126.3	128.8	131.7	131.9	0.2	2.4	4.4
7 Transport	130	129.9	130.7	130.7	0.0	0.6	0.5
8 Information and Communication	101	95	95.2	95.2	0.0	0.2	-5.7
9 Recreation Sport and Culture	129.4	130.2	133.2	133.4	0.2	2.5	3.1
10 Education	155.3	158	169	169	0.0	7.0	8.8
11 Restaurants and Accommodation Services	167.8	171.7	174.2	174.3	0.1	1.5	3.9
12 Insurance and Financial Services	110.3	110.3	110.3	110.3	0.0	0.0	0.0
13 Personal Care Social Protection and Miscellaneous Goods and Services	130.3	131.6	134.6	135.2	0.1	2.7	3.8

Source: STATIN

Monetary policy

The BOJ reduced its policy rate by 25 basis points in May 2025, moving from 6.00 percent to 5.75 percent. This was in the context of local inflation being within the 4.0 to 6.0 percent target range for multiple consecutive quarters. Following the passage of Hurricane Melissa, and the direct adverse impact on local food supply and prices, Jamaica’s annual point-to-point inflation rate in November 2025 accelerated to 4.4 percent from 2.9 percent at October 2025. By December 2025, annualized inflation was reported at 4.5 percent, lower than expected following Hurricane Melissa, because of a faster pace of recovery in production of some agricultural commodities as well as increased food imports to shore up the local food supply.

With regard to financial market stability, adequate capital and liquidity has anchored confidence in the performance of the country’s financial system. The Capital Adequacy Ratio for Deposit Taking Institutions (DTI) at end-September 2025 was 14.5 percent, largely unchanged relative to the corresponding period last year and above the statutory requirement of 10.0 percent. Similarly,

the BOJ reported that Liquidity Coverage Ratios for these institutions were in excess of 100 percent at-end June 2025. The quality of the DTIs' loan portfolio remained fairly stable with a Non-performing Loans (NPLs) to gross loans ratio at September 2025 of 2.7 percent relative to a general global standard of 3.0 percent to 5.0 percent.

External Sector Developments

The Current Account Balance reflected a current account surplus for the first quarter of FY2025/26 for the third consecutive year. A surplus of US\$137.7 million was recorded, which was US\$10.3 million lower than the first quarter of FY2024/25. This decline is reflective of larger increases in imports within the Goods & Services sub-category. Industries such as Agriculture and Mining & Quarrying recorded reductions in exports. The Services balance was also negatively impacted by increased transportation outflows due to higher freight costs.

The Primary and Secondary income sub-accounts improved over the period; reflecting lower income outflow and increases in remittance inflow, respectively. For the September 2025 quarter, the surplus on the current account of the Balance of Payments improved to US\$67.4 million (0.3 percent of GDP) when compared to the surplus of US\$19.4 million (0.1 per cent of GDP) for the September 2024 quarter. The current account balance as a percentage of GDP is expected to run a deficit in the range of -1.0 percent to 0.0 percent in FY2025/26 due to deterioration in the services subaccount reflecting the impact of Hurricane Melissa on the tourism industry.

The Capital Account marginally worsened by US\$1.9 million, moving from a deficit of US\$6.8 million in the first quarter of FY 2024/25 to US\$8.7mn in the corresponding quarter of FY 2025/26. This outturn, together with the balance on the Current Account, yielded a net lending position of US\$129.0 million, a decrease of US\$12.1 million when compared to FY 2024/25. The Financial Account recorded a net outflow of US\$ 39.52 million for the review period, relative to a net inflow of US\$369.2 million in the corresponding quarter of the previous year.

Table 2E

Balance of Payments for the First Quarter FY 2025/26

April - June 2025

Balance of Payments (US\$MN)	FY 2024/25	FY 2025/26	Change
Current Account Balance	148.0	137.7	-10.3
<i>Credits</i>	2735.9	2790.4	54.5
<i>Debits</i>	2587.9	2652.7	64.8
Goods & Services	-649.6	-744.4	-94.8
<i>Credits</i>	1690.5	1702.2	11.7
<i>Debits</i>	2340.0	2446.6	106.6
Goods	-1054.7	-1140.5	-85.8
<i>Exports</i>	451.7	402.3	-49.4
<i>Imports</i>	1506.4	1542.8	36.4
Services	405.2	396.1	-9.1
<i>Credits</i>	1238.8	1299.9	61.1
<i>Debits</i>	833.7	903.8	70.1
Primary Income	-77.2	-22.5	54.7
<i>Credits</i>	116.3	127.1	10.8
<i>Debits</i>	193.5	149.6	-43.9
Secondary Income	874.8	904.7	29.9
<i>Credits</i>	929.1	961.2	32.1
<i>Debits</i>	54.3	56.5	2.2
Capital Account	-6.8	-8.7	-1.9
<i>Credits</i>	5.5	3.6	-1.9
<i>Debits</i>	12.3	12.3	0.0
Net lending (+) / net borrowing (-) (balance from current and capital account)	141.2	129.0	-12.2
Financial Account	141.2	129.1	-12.1
Net lending (+) / net borrowing (-) (balance from financial account)	369.2	-39.5	-408.7
Direct Investment	-34.7	-75.0	-40.3
<i>Net acquisition of financial assets</i>	0.2	-0.6	-0.8
<i>Net incurrence of liabilities</i>	34.9	74.4	39.5
Portfolio Investments	182.1	-4.6	-186.7
<i>Net acquisition of financial assets</i>	131.6	-100.2	-231.8
<i>Net incurrence of liabilities</i>	-50.5	-95.6	-45.1
Financial derivatives	0.0	0.0	0.0
<i>Net acquisition of financial assets</i>	0.0	0.0	0.0
<i>Net incurrence of liabilities</i>	0.0	0.0	0.0
Other Investments	192.2	1.5	-190.7
<i>Net acquisition of financial assets</i>	-2.4	20.2	22.6
<i>Net incurrence of liabilities</i>	-194.5	18.7	213.2
Reserve Assets	29.8	38.6	
Net Errors and Omissions	228.1	-168.6	

Source: BOJ

Commodities

Sharp price movements were observed in the commodities market for April to December 2025. These outturns were driven by global supply shocks, weather events, and fluctuating trade policies. According to the World Bank's International Commodity Price Index, price deflation has characterized the movement of Fuel Price Index, registering a decline of 14.1 percent, amidst ample global supply of oil. Meanwhile Non-Fuel Price Index grew by 0.5 percent during the review period. Average oil prices for FY 2025/26 are projected to fall by 16.3 percent to US\$62.2 per barrel, relative to the average for FY 2024/25. For FY 2026/27, average oil prices are forecast to increase by 3.6 percent to US\$60.0 per barrel, relative to the previous fiscal year.

Table 2F

Commodity	Unit	Average Percentage Change	
		Apr-Dec FY 2024/25	Apr-Dec FY 2025/26
Non-Fuel Price Index		4.6	0.5
Fuel (Energy) Price Index		-4.1	-14.1
Select Commodities			
Cocoa	Cents per Kg.	126.3	-8.5
Coffee, Arabica	Cents per Kg.	34.6	41.0
Soybean meal	\$/mt	-16.8	-15.9
Maize/Corn	\$/mt	-20.5	5.1
Wheat, US, SRW	\$/mt	-8.5	-5.6
Sugar, EU, domestic	Cents per Kg.	-0.4	6.9
Sugar, World	Cents per Kg.	-19.7	-17.8
Crude Oil	US\$ per Barrel	-3.5	-16.9
Aluminum	US\$/Tonne	13.0	5.6

Source: World Bank Commodity Prices

Grain prices declined relative to the corresponding period of FY 2024/25, due to improved production as a result of favourable weather conditions. Grain prices are projected to increase as demand outpaces supply. World sugar prices fell 17.8 percent, influenced by improved production in India and Thailand and a reduction in demand for the product. Global aluminium prices are expected to continue to rise on a tighter supply-demand balance, due to slower production growth and uncertainties around global tariff policies.

Global Outlook

Despite volatility in trade policies, particularly between the United States and other countries such as China; sizable cuts in development aid and more restrictive stances on immigration, global economic outlook is leaning to the upside in face of accommodative fiscal and monetary policies, and private sector tenacity. According to the World Economic Outlook (January 2026) published by the IMF, global growth in 2026 is estimated to improve marginally from the 3.1 percent projected in the October 2025 report to 3.3 percent. Upward revisions were also reflected in the 2025 estimates moving from 3.2 percent to 3.3 percent and in the projections for some advanced economies.

Growth in advanced economies is projected to increase from 1.7 percent in 2025 to 1.8 percent in 2026, an upward revision to the October forecast. This is reflective of an improved outlook toward increased technological investments and an accommodative financial environment. Stable growth is projected among emerging market and developing economies, with a slight deceleration from 4.4 percent in 2025 to 4.2 in 2026.

Jamaica's Macroeconomic Outlook FY 2025/26 to FY 2029/30

The Jamaican economy is projected to enter a brief recessionary period driven by multiple consecutive quarterly contractions between FY 2025/26 and FY 2026/27. Economic recovery from Hurricane Melissa is projected to materialize in the last two quarters of FY 2026/27 and accelerate in FY 2027/28 and FY2028/29 albeit at a slightly lower level of output compared to pre-Hurricane Melissa. At least 30.0 percent of the country's FY 2024/25 output (productive capacity) was negatively impacted by Hurricane Melissa. Nevertheless, through accelerated initiatives by public and private sectors to stabilize livelihoods and resuscitate businesses, economic activity remains robust despite the devastation. Jamaica's growth forecasts are expected to moderate around 1.0 percent over the medium term, from FY 2029/30 to FY 2030/31. Economic growth over the short to medium term is expected to be driven by Construction, Agriculture and Fishery, Mining & Quarrying, Accommodation and Food Services, Transport & Storage and Other Services. Joint efforts between the government of Jamaica, private sector, charities and international agencies are in effect toward the recovery and reconstruction of the western region of Jamaica, which was severely impacted by Hurricane Melissa. These rebuilding activities will bolster economic activity and drive output level to the pre-hurricane levels by FY 2028/29 or sooner.

The risks to the growth forecast are assessed to be skewed to the downside, which means that growth could be lower than projected due to the 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 at approximately 5.0 percent over the medium term. The current account balance as a percentage of GDP is expected to run a deficit of 0.1 percent in FY 2025/26. The current account is projected to remain in deficit over the medium term, rising to 6.8 percent in FY 2026/27 before gradually decelerating to 0.4 percent by FY 2029/30. This is predicated on deterioration of the merchandise trade balance due to greater importation to support the hurricane recovery efforts and offset by improvements in the services balance resulting from the gradual expansion in stopover arrivals as the tourism sector rebounds.

Table 2G: Medium Term Macroeconomic Profile

Medium Term Macroeconomic Profile						
Macroeconomic Variables	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	Act.	Est.	Proj.	Proj.	Proj.	Proj.
Nominal GDP (J\$bnn)	3,496.0	3,532.2	3,857.0	4,193.4	4,515.5	4,788.5
Nominal GDP growth rate(%)	4.7	1.0	9.2	8.7	7.7	6.0
Real GDP growth rate (%)	-0.5	-4.5	-0.5	3.3	2.6	1.0
Inflation: Annual Pt to Pt (%)	5.0	10.0	5.1	5.0	5.0	5.0
Interest Rates:						
180-day Treasury Bill (end-period)	5.7					
90-day Treasury Bill (end-period)	5.7					
Average Selling Exchange Rate (J\$=US\$1)	157.60					
NIR (US\$mn)	5,785.5	6,079.1	5,157.5	5,201.9	5,487.4	5,654.3
Current Account (%GDP)	3.0	-0.1	-6.8	-6.5	-2.2	-0.4
Oil Prices (WTI) (Average US\$/barrell)	74.4	62.2	60.0	60.0	62.5	65.0

Source: BOJ/PIOJ/STATIN

PART 3

FISCAL MANAGEMENT STRATEGY

Background

Jamaica's fiscal operations during the first half of FY 2025/26 remained sound, but has been adversely impacted by Hurricane Melissa, which made landfall on the island on October 28, 2025. The Government of Jamaica (GOJ), however, remains resolute in its commitment to fiscal responsibility and the achievement of the overarching objective of fiscal and debt sustainability - even as the country navigates evolving climate-related, as well as other domestic and external challenges.

Notwithstanding the devastating aftermath of Hurricane Melissa, compounded by the lingering macroeconomic risks arising from geopolitical tensions and heightened volatility surrounding international trade policies, the GOJ is advancing its relief, recovery and reconstruction efforts, underpinned by prudent fiscal management while seized with the importance of building resilience as the restoration of livelihoods and economic growth is pursued. Throughout the fiscal year, initiatives such as the Expanded Apprenticeship Programme, the Solidarity Programme, expansion of the Income Tax Threshold, and enhancements to social protection programmes, including higher PATH and Social Pension payments, have supported economic activity while expanding opportunities and delivering targeted assistance to the most vulnerable segments of the population.

The extent of the damage caused by Hurricane Melissa has been far-reaching, affecting all sectors of the Jamaican economy. Having been originally projected to grow by 2.1 percent, as reported in the February 2025 FPP, the economy is now expected to contract by 4.5 percent for FY 2025/26, largely influenced by the forecasted contraction within the range of 11.0 to 13.0 percent in the third quarter of the fiscal year. Inflationary pressures are expected to persist in the coming months, driven primarily by continued supply constraints in the agriculture sector and high energy costs. While elevated inflation could generate higher nominal revenue, rising costs of goods and services are likely to place increased pressure on government expenditure.

Despite the significant disruption caused by the hurricane, the recovery has commenced in certain sectors - notably tourism and other service-providing industries, underscoring the gains in economic resilience in recent years. The GOJ's strategic implementation of initiatives to strengthen resilience has been acclaimed internationally, and has contributed to favourable ratings from the three international agencies: Fitch, Moody's and Standard & Poor's in their assessments post-Melissa. The achievement underscores one of the benefits of the government's

sustained commitment to fiscal responsibility and the strengthening of Jamaica's fiscal and economic resilience.

The strategic investment by the GOJ in disaster risk financing has been instrumental in mitigating the fiscal impact of natural disasters. Specifically, the GOJ has benefitted from inflows associated with several instruments within its disaster risk financing portfolio under the National Natural Disaster Risk Financing Policy, including Jamaica's Catastrophe Bond issued in collaboration with the World Bank (US\$156.7 million), the World Bank's Catastrophe Deferred Drawdown Option (CAT-DDO) (US\$41.8 million) and insurance policies with the Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF) (US\$80.9 million). Additionally, resources have been disbursed from the IMF's Rapid Financing Instrument (US\$417.8 million), while US\$300.0 million is expected to be disbursed from the Inter-American Development Bank's Contingent Credit Facility by end-March 2026. The utilization of resources from the National Natural Disaster Reserve Fund (comprising funds associated with the DRF instruments and other Melissa-related inflows) and the Contingencies Fund has supported the post-Melissa relief and recovery efforts.

As a result of the significant fiscal and economic impact of the Hurricane Melissa, the fiscal rules embedded in the Fiscal Responsibility Legislation (FRL) were temporarily suspended in December 2025 for a period up to end-March 2027. Within that context, the fiscal outlook for the remainder of FY 2025/26 and the medium term has been revised downward, underpinned by the revisions to the macroeconomic assumptions and projected increase in expenditure to facilitate the recovery and reconstruction efforts. Notwithstanding the downward revision, the GOJ remains committed to fiscal prudence, while prioritising rehabilitation and reconstruction of critical infrastructure, enhanced climate resilience and targeted social assistance, all of which are essential to preserving macroeconomic stability and supporting economic recovery.

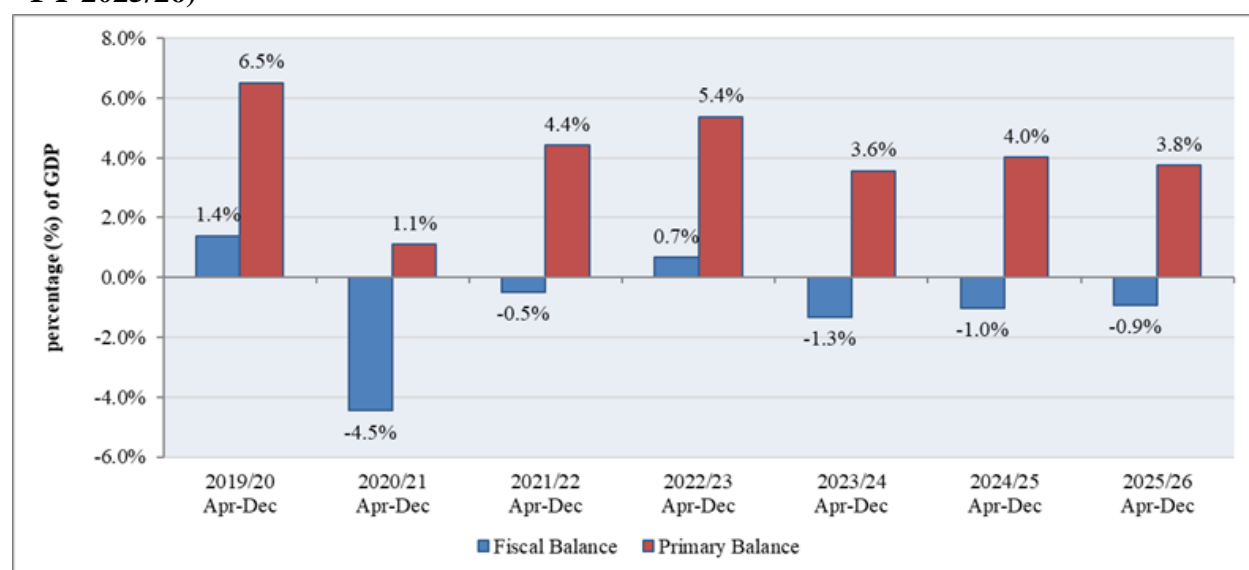
The Fiscal Management Strategy provides an assessment of the fiscal performance for FY 2025/26, outlines key features of the upcoming budget, and presents the medium-term trajectory. It reports on the following:

- Performance of the central government and public bodies: April – December 2025;
- FY 2025/26 Estimated outturn;
- Public Debt Stock to end-December 2025 and outlook
- FY 2026/27 Budget;
- Medium Term Fiscal Outlook.

Central Government Performance: April-December 2025 against Original Budget

Fiscal operations over the April–December 2025 period generated fiscal account aggregates that outperformed projections, demonstrating Jamaica’s growing resilience to both domestic and external shocks. Despite the significant challenges experienced in recent years (2019–2025), including the COVID-19 pandemic and severe climate-related events, fiscal and primary balances have remained relatively stable (see Figure 3A). Relative to the Original Budget, the fiscal deficit of \$24.7 billion performed better by \$39.6 billion (61.6 percent), while the primary balance surplus of \$99.9 billion exceeded the budget by \$36.5 billion (57.6 percent).

Figure 3A: Primary & Fiscal Balance as a per cent of GDP (April to December, FY 2019/20 - FY 2025/26)



Source: MOFPS

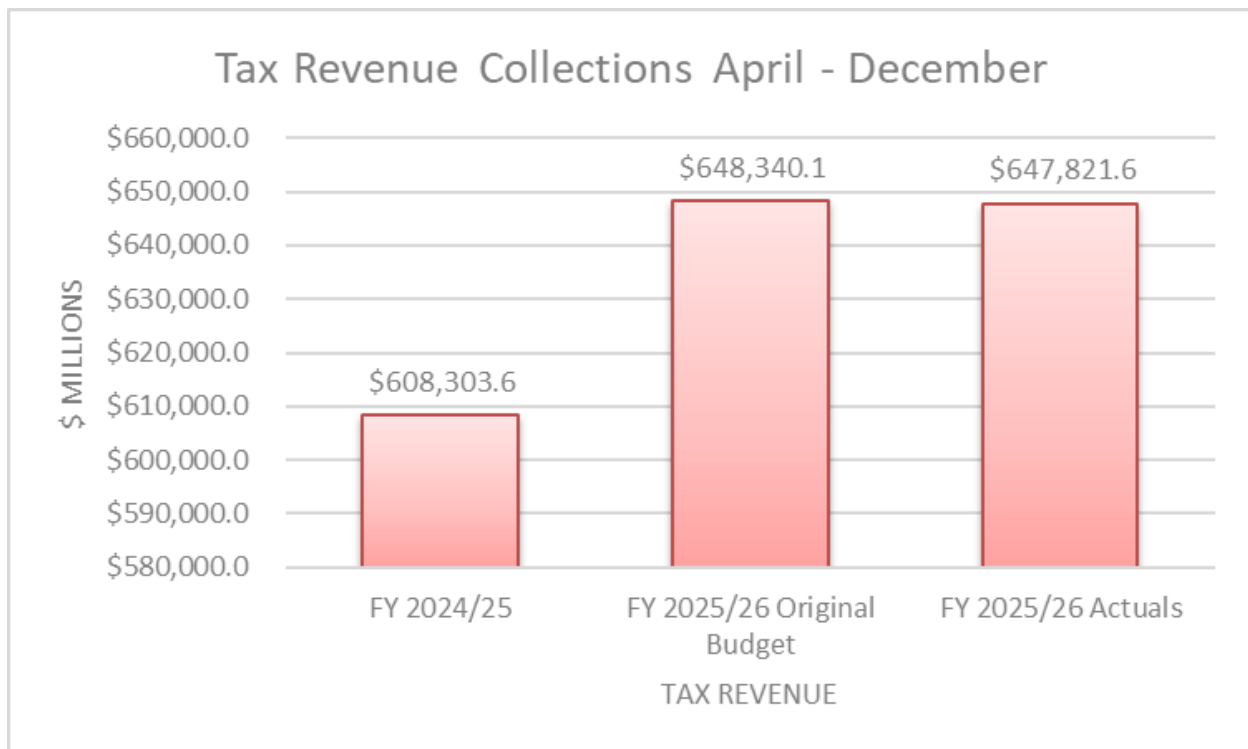
The fiscal balance improved relative to the corresponding period of FY 2024/25 by 6.7 percent, mainly attributable to higher growth in Revenue and Grants compared to above-the-line Expenditure. Notwithstanding the over-performance relative to the Original Budget, the primary balance recorded a decline of 4.5 percent compared to the outturn for FY 2024/25, reflecting higher growth in primary expenditure relative to the increase in revenue – partly due to Hurricane Melissa-related spending.

The positive performance of key fiscal aggregates year-to-date was supported by higher-than-budgeted Revenue and Grants of \$806.4 billion, that exceeded projection by 5.8 percent and grew relative to the corresponding period of FY 2024/25 by 9.2 percent. Non-Tax revenue, the primary driver of the stronger-than-anticipated inflows exceeded budget by \$46.7 billion. The surplus was moderated by below-budget Grants receipts.

Tax Revenue

Tax revenue of \$647.7 billion fell marginally below projections by 0.1 percent but increased by \$39.4 billion (6.5 percent) compared with the corresponding period of FY 2024/25.

Figure 3B: Total Tax Revenue –April to December (FY 2024/25, FY 2025/26 Original Budget Projection & Outturn)



Source: MOFPS

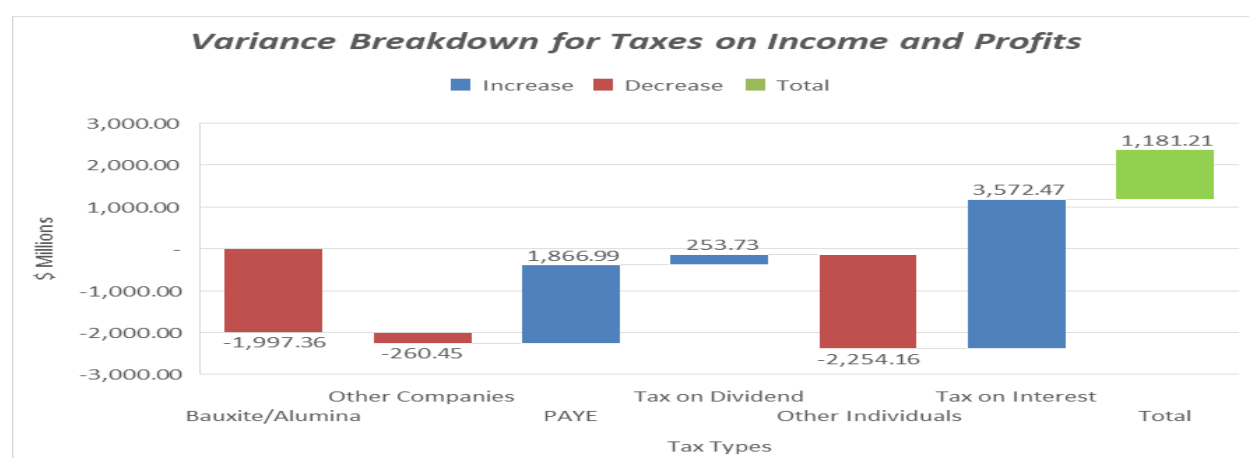
This performance reflects higher-than-budgeted collections from Tax Administration Jamaica (TAJ) by \$6.9 billion, which tempered the \$7.6 billion shortfall in receipts from Jamaica Customs Agency (JCA). The largest positive variance was generated in taxes from Production and Consumption, which exceeded the original budget by \$5.8 billion. Collections from Income & Profits were \$1.2 billion above budget. All categories of Tax Revenue recorded growth relative to the outturns for April – December 2024.

Inflows from Income & Profits for the period amounted to \$207.8 billion, exceeding original budget and outturns for April – December 2024 by 0.6 percent and 11.4 percent, respectively. The surplus relative to budget is attributable to stronger-than-anticipated inflows from the tax types: PAYE and Tax on Interest, which were higher by 1.6 percent and 13.9 percent, respectively. The above-budget performance for PAYE was supported by improvements in employment and higher public sector salaries based on execution of the agreement to advance eligible workers along their respective salary bands. Tax on Interest benefitted from an increase

in total deposits held (April – November year-over-year) by 10.5 percent, with time and savings deposits increasing by 16.1 percent and 10.1 percent, respectively.

The surplus was tempered by shortfalls in receipts from Bauxite/Alumina (lower by 67.3 percent) and Other Individuals (lower by 41.6 percent). The below budget collection from Bauxite/ Alumina reflected lower than projected payment of Bauxite/Alumina arrears due to losses experienced by entities within the sector. Inflows from Other Individuals were constrained by the disruption to economic activities following the passage of Hurricane Melissa as well as higher than anticipated refund payments.

Figure 3C: Variance Breakdown (Actual vs Original Budget) for Taxes on Income and Profits

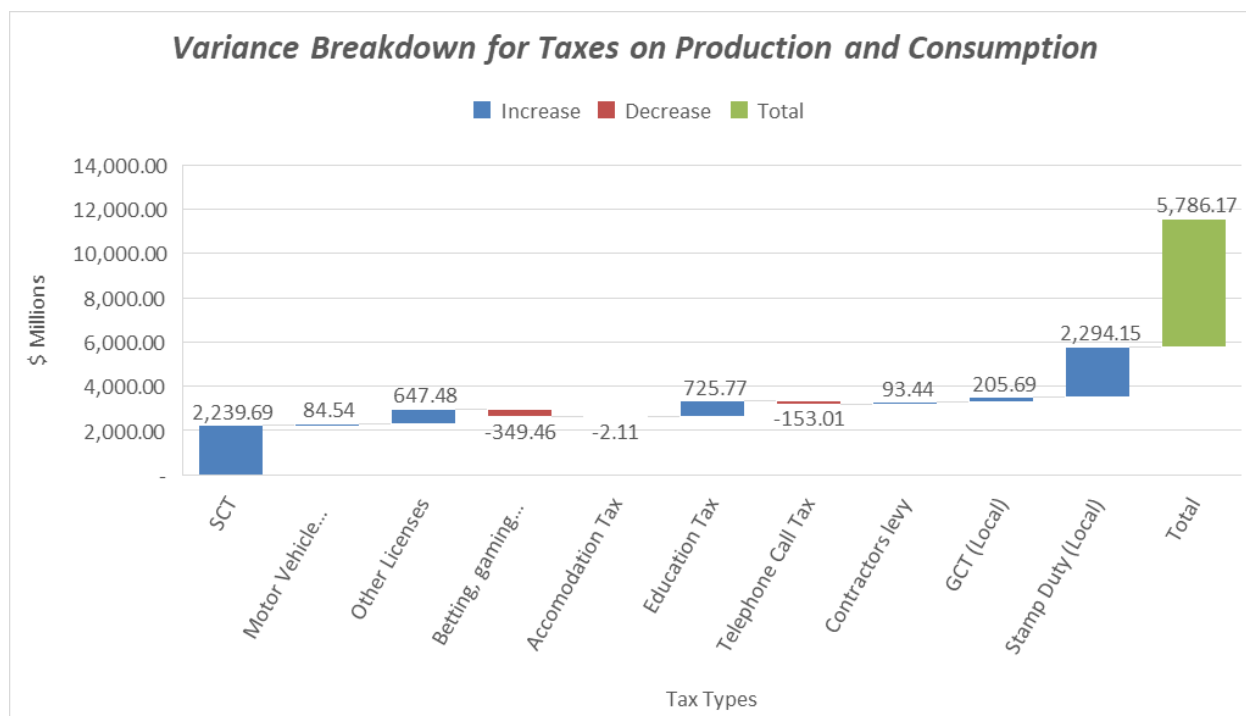


Source: MOFPS

Production & Consumption collection of \$206.3 billion for the period April – December 2025 represented an over-performance of 2.9 percent relative to the original budget and an increase of 5.7 percent when compared with outturn for the corresponding period of FY 2024/25. The surplus in this tax category primarily reflected stronger-than-projected inflows from local SCT (up 13.4 percent), Other Licences (up by 47.1 percent) and Stamp Duty (up 50.2 percent). These above budget performances reflected higher-than-expected levels of production at Petrojam, arrears payments for Telecommunication licenses and extraordinary transactions alongside increased mortgage and motor vehicle loans, respectively.

Additional gains were generated in Education Tax, which benefitted from improvement in employment and salary increases. Similarly, positive performance was recorded for local GCT which was bolstered by higher inflation. On the contrary, there was a considerable shortfall from Quarry Tax, reflective of the contraction in output from the Mining and Quarrying sub-industry.

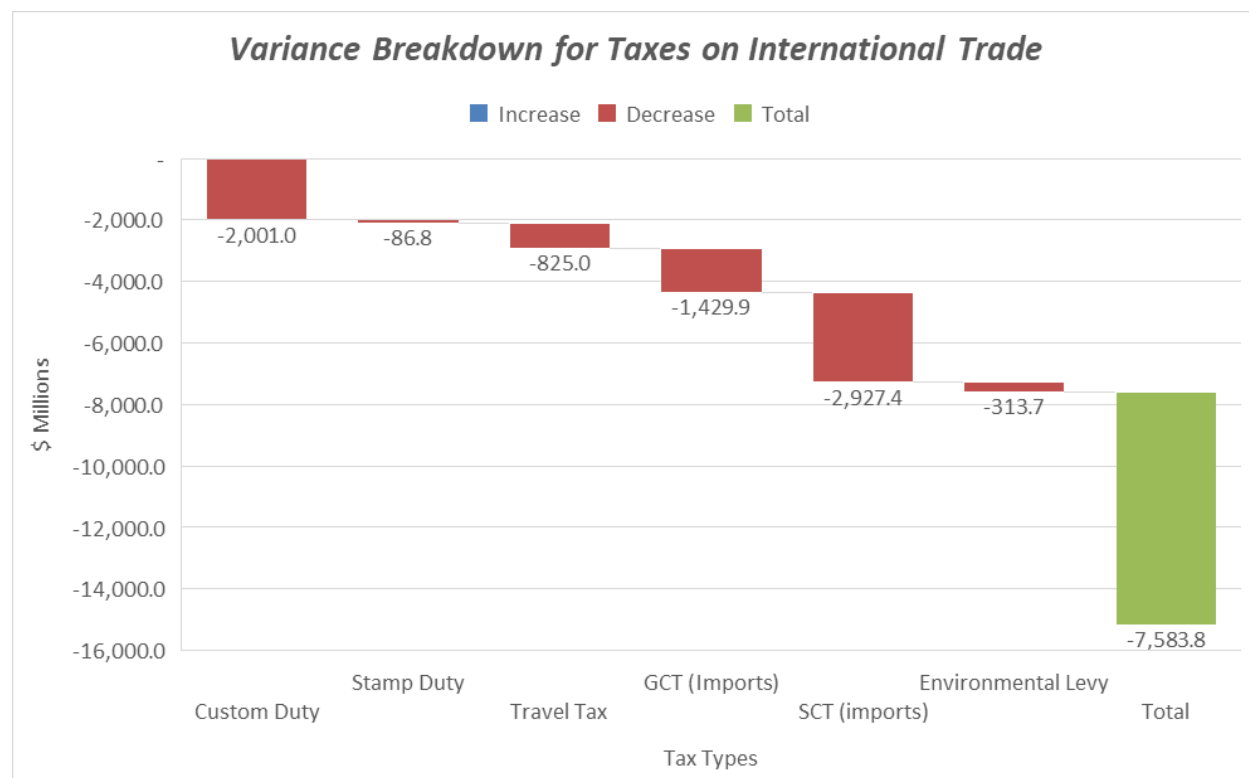
Figure 3D: Variance Breakdown (Actual vs Original Budget) for the largest contributing Taxes on Production & Consumption



Source: MOFPS

International Trade receipts over the review period totalled \$233.6 billion, representing an underperformance of 3.1 percent relative to the budget. All tax types within this tax category generated below-budget outturns. The largest shortfall was reflected in imported SCT (down 5.3 percent) followed by Custom Duty (down 3.7 percent) and imported GCT (down 1.4 percent). These underperformances were mainly driven by lower importation of petroleum products, lower cost, insurance and freight (CIF) values and shifts in on-line purchasing patterns. Notwithstanding the below-budget performance year-to-date, international trade inflows grew by 3.1 percent and 6.0 percent relative to the corresponding periods of FY 2024/25 and FY 2023/24, respectively. International Trade taxes continue to be influenced by several factors, including exchange rate movements, disruptions caused by natural disasters, and evolving consumer behaviour.

Figure 3E: Variance Breakdown (Actual vs Original Budget) for the largest contributing Taxes on International Trade



Source: MOFPS

Non-Tax Revenue for the review period exceeded the budgeted target by \$46.7 billion. The over-performance relative to budget was mainly attributable to inflows associated with the pay-outs from the disaster risk financing instruments that were triggered following the passage of Hurricane Melissa as well as higher-than-projected inflows from the securitization of revenue due to the GOJ from the Sangster International Airport (SIA). Net receipts from the November 2025 CCRIF pay-outs amounted to \$14.3 billion. Additionally, the Catastrophe Bond pay-outs totalled \$25.2 billion while inflows of \$58.7 billion from the monetization transaction exceeded the amount originally projected by \$9.7 billion. Relative to the corresponding periods of FY 2024/25 and FY 2023/24, receipts increased by 24.1 percent and 202.4 percent, respectively.

Bauxite Levy, Capital Revenue and Grants

Collections from Bauxite Levy amounted to \$0.1 billion, while Grants inflows totaled \$2.4 billion. Grants were below budget by 46.9 percent, partly due to lower disbursements associated with slower-than-planned project execution. In line with budget, there was no capital revenue during the period.

Table 3A.1: Central Government Summary Accounts – April to December 2025 outturn against FY 2025/26 Original Budget (J\$mn)

Item	Original Budget				FY 2024/25		FY 2023/24			
	Prov Apr - Dec	FY 2025/26 Apr - Dec	Diff	Diff %	Apr - Dec	Diff	Diff %	Apr - Dec	Diff	Diff %
Revenue & Grants	806,382.3	762,371.7	44,010.6	5.8%	738,559.2	67,823.1	9.2%	640,354.7	166,027.7	25.9%
Tax Revenue	647,700.0	648,340.1	(640.1)	-0.1%	608,303.6	39,396.3	6.5%	581,767.2	65,932.8	11.3%
Non-Tax Revenue	156,127.2	109,448.1	46,679.0	42.6%	125,812.7	30,314.5	24.1%	51,636.7	104,490.5	202.4%
Bauxite Levy	121.6	0.0	121.6	-	0.0	121.6	-	940.2	(818.6)	-87.1%
Capital Revenue	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Grants	2,433.6	4,583.5	-2,149.9	-46.9%	4,442.9	(2,009.3)	-45.2%	6,010.7	(3,577.1)	-59.5%
Expenditure	831,052.5	826,675.6	4,377.0	0.5%	765,007.5	66,045.1	8.6%	673,600.1	157,452.4	23.4%
Recurrent Expenditure	799,888.8	777,043.4	22,845.4	2.9%	728,299.3	71,589.4	9.8%	636,714.6	163,174.1	25.6%
Programmes	294,154.1	275,693.9	18,460.2	6.7%	264,951.1	29,203.0	11.0%	211,178.7	82,975.4	39.3%
Compensation of Employees	381,161.5	373,644.9	7,516.6	2.0%	332,410.2	48,751.3	14.7%	303,262.2	77,899.3	25.7%
Wages & Salaries	355,321.5	349,525.7	5,795.8	1.7%	315,125.1	40,196.4	12.8%	283,852.6	71,468.9	25.2%
Employers Contribution	25,840.0	24,119.2	1,720.8	7.1%	17,285.1	8,554.9	49.5%	19,409.6	6,430.3	33.1%
Interest	124,573.2	127,704.5	(3,131.3)	-2.5%	130,938.1	(6,364.9)	-4.9%	122,273.7	2,299.5	1.9%
Domestic	56,765.8	47,378.9	9,386.9	19.8%	56,335.7	430.1	0.8%	52,784.3	3,981.5	7.5%
External	67,807.3	80,325.6	(12,518.2)	-15.6%	74,602.4	(6,795.0)	-9.1%	69,489.4	(1,682.0)	-2.4%
Capital Expenditure	31,163.8	49,632.2	(18,468.4)	-37.2%	36,708.1	(5,544.3)	-15.1%	36,885.5	(5,721.7)	-15.5%
Capital Programmes	31,163.8	49,632.2	(18,468.4)	-37.2%	36,708.1	(5,544.3)	-15.1%	36,885.5	(5,721.7)	-15.5%
Fiscal Balance (Surplus + / Deficit -)	(24,670.2)	(64,303.9)	39,633.7	61.6%	(26,448.3)	1,778.1	6.7%	(33,245.4)	8,575.2	25.8%
Loan Receipts	137,778.5	88,274.0	49,504.5	56.1%	105,393.8	32,384.7	30.7%	153,064.5	(15,286.0)	-10.0%
Domestic	125,671.2	80,074.9	45,596.4	56.9%	57,121.6	68,549.6	120.0%	52,363.9	73,307.4	140.0%
External	12,107.3	8,199.1	3,908.2	47.7%	48,272.2	(36,164.9)	-74.9%	100,700.7	(88,593.4)	-88.0%
Project Loans	5,397.1	8,199.1	-2,802.0	-34.2%	7,642.6	(2,245.5)	-29.4%	12,842.0	(7,444.9)	-58.0%
Other	6,710.2	0.0	6,710.2	-	40,629.7	(33,919.4)	-83.5%	87,858.7	(81,148.5)	-92.4%
Other Inflows (inc'ds PCDF)	3,436.5	4,330.7	(894.2)	-20.6%	15,313.6	(11,877.1)	-77.6%	21,303.1	(17,866.6)	-83.9%
Other Outflows	26,102.8	0.0	26,102.8	-	0.0	26,102.8	-	12,469.3	13,633.5	109.3%
Amortization	130,012.8	128,872.9	1,139.9	0.9%	164,870.5	(34,857.7)	-21.1%	108,259.1	21,753.7	20.1%
Domestic	53,969.6	53,943.3	26.2	0.0%	58,401.2	(4,431.6)	-7.6%	16,004.3	37,965.3	237.2%
External	76,043.2	74,929.6	1,113.7	1.5%	106,469.3	(30,426.1)	-28.6%	92,254.8	(16,211.5)	-17.6%
Overall Balance (Surplus + / Deficit -)	(39,570.7)	(100,572.1)	61,001.3	60.7%	(70,611.3)	31,040.6	44.0%	20,393.8	(59,964.6)	-294.0%
Primary Balance (Surplus + / Deficit -)	99,903.0	63,400.6	36,502.3	57.6%	104,489.9	(4,586.9)	-4.4%	89,028.2	10,874.7	12.2%

Source: MOFPS

Table 3A.2: Details of Revenue – April to December 2025 outturn against FY 2025/26 April to December Original Budget (J\$mn)

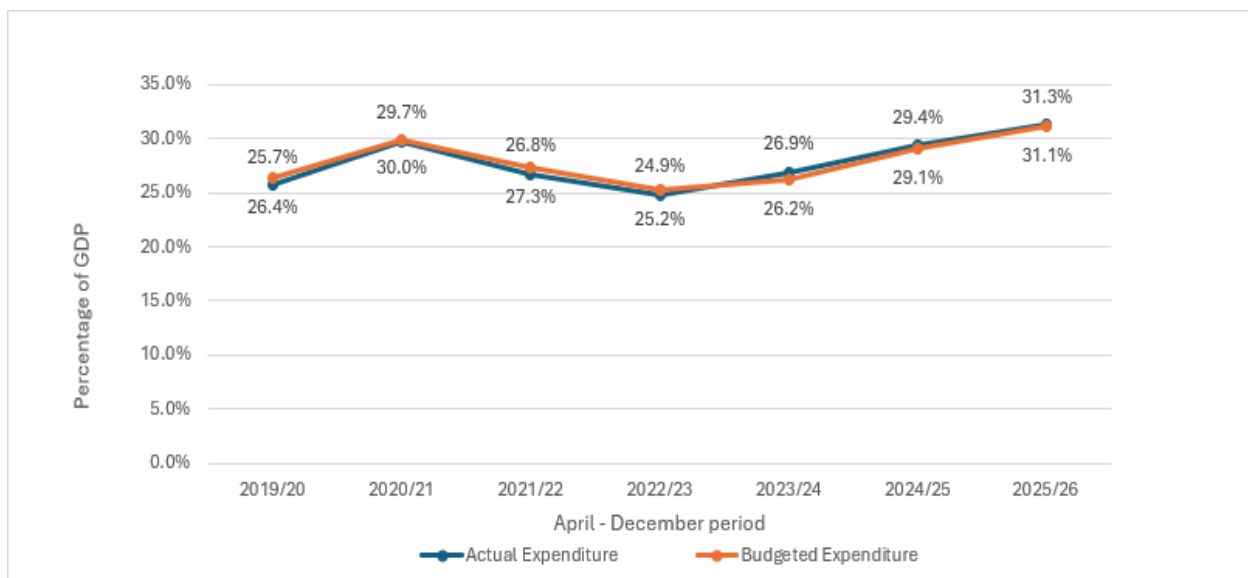
Item	Original Budget									
	Prov Apr - Dec	FY 2025/26 Apr - Dec	Diff	Diff %	FY 2024/25 Apr - Dec	Diff	Diff %	FY 2023/24 Apr - Dec	Diff	Diff %
Revenue & Grants	806,382.3	762,371.7	44,010.6	5.8%	738,559.2	67,823.1	9.2%	640,354.7	166,027.7	25.9%
Tax Revenue	647,700.0	648,340.1	(640.1)	-0.1%	608,303.6	39,396.3	6.5%	581,767.2	65,932.8	11.3%
Income and profits	207,817.8	206,636.6	1,181.2	0.6%	186,578.7	21,239.0	11.4%	173,769.9	34,047.9	19.6%
Bauxite/alumina	970.6	2,968.0	-1,997.4	-67.3%	156.8	813.8	518.9%	0.0	970.6	-
Other Companies	53,331.2	53,591.6	(260.4)	-0.5%	51,661.2	1,669.9	3.2%	47,246.1	6,085.1	12.9%
PAYE	118,248.4	116,381.4	1,867.0	1.6%	101,284.8	16,963.6	16.7%	95,933.4	22,315.0	23.3%
Tax on dividend	2,866.3	2,612.6	253.7	9.7%	2,644.8	221.5	8.4%	2,509.8	356.5	14.2%
Individuals	3,162.1	5,416.3	(2,254.2)	-41.6%	3,564.3	(402.1)	-11.3%	3,139.0	23.1	0.7%
Tax on interest	29,239.2	25,666.7	3,572.5	13.9%	27,266.8	1,972.4	7.2%	24,941.5	4,297.6	17.2%
Source:										
Production and consumption	206,275.3	200,512.8	5,762.5	2.9%	195,166.6	11,108.7	5.7%	187,677.4	18,597.9	9.9%
Min Business Tax	40.6	0.0	40.6	-	50.6	(10.0)	-19.7%	72.8	(32.2)	-44.2%
SCT	18,983.6	16,743.9	2,239.7	13.4%	14,193.1	4,790.6	33.8%	16,540.1	2,443.5	14.8%
Environmental Levy	742.5	716.1	26.4	3.7%	731.1	11.4	1.6%	604.6	137.9	22.8%
Motor vehicle licenses	4,067.6	3,983.1	84.5	2.1%	3,998.3	69.4	1.7%	3,792.9	274.7	7.2%
Other licenses	2,023.4	1,375.9	647.5	47.1%	1,254.2	769.1	61.3%	795.6	1,227.8	154.3%
Quarry Tax	125.1	215.8	(90.7)	-42.0%	195.0	(69.9)	-35.9%	24.2	100.9	417.5%
Betting, gaming and lottery	6,438.6	6,788.1	(349.5)	-5.1%	6,210.5	228.2	3.7%	5,823.3	615.3	10.6%
Accommodation Tax	2,355.1	2,357.2	(2.1)	-0.1%	2,486.7	(131.6)	-5.3%	2,524.5	(169.4)	-6.7%
Education Tax	39,961.0	39,235.3	725.8	1.8%	37,537.4	2,423.7	6.5%	34,124.5	5,836.6	17.1%
Telephone Call Tax	1,858.8	2,011.8	(153.0)	-7.6%	2,001.2	(142.5)	-7.1%	2,173.7	(314.9)	-14.5%
Contractors levy	2,280.8	2,187.4	93.4	4.3%	2,094.6	186.2	8.9%	2,051.6	229.2	11.2%
GCT (Local)	120,534.2	120,328.6	205.7	0.2%	118,614.6	1,919.6	1.6%	114,030.6	6,503.6	5.7%
Stamp Duty (Local)	6,863.9	4,569.8	2,294.1	50.2%	5,799.4	1,064.5	18.4%	5,118.9	1,745.0	34.1%
International Trade	233,606.9	241,190.7	(7,583.8)	-3.1%	226,558.3	7,048.6	3.1%	220,319.9	13,287.0	6.0%
Custom Duty	52,365.8	54,366.8	(2,001.0)	-3.7%	49,926.6	2,439.2	4.9%	47,088.8	5,277.0	11.2%
Stamp Duty	3,582.0	3,668.8	(86.8)	-2.4%	3,193.9	388.2	12.2%	3,017.9	564.1	18.7%
Travel Tax	20,284.4	21,109.4	(825.0)	-3.9%	20,798.4	(514.1)	-2.5%	21,708.7	(1,424.3)	-6.6%
GCT (Imports)	100,511.4	101,941.3	(1,429.9)	-1.4%	94,091.5	6,420.0	6.8%	92,038.1	8,473.3	9.2%
SCT (Imports)	52,655.5	55,582.9	(2,927.4)	-5.3%	54,431.1	(1,775.6)	-3.3%	52,387.4	268.1	0.5%
Environmental Levy	4,207.8	4,521.5	(313.7)	-6.9%	4,116.8	91.0	2.2%	4,079.0	128.8	3.2%
Non-Tax Revenue	156,127.2	109,448.1	46,679.0	42.6%	125,812.7	30,314.5	24.1%	51,636.7	104,490.5	202.4%
Bauxite Levy	121.6	0.0	121.6	-	0.0	121.6	-	940.2	(818.6)	-87.1%
Capital Revenue	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Grants	2,433.6	4,583.5	-2,149.9	-46.9%	4,442.9	(2,009.3)	-45.2%	6,010.7	(3,577.1)	-59.5%

MOFPS

Expenditure (Above the line)

Central Government spending of \$831.1 billion surpassed the original expenditure ceiling for the April – December 2025 period by \$4.4 billion (0.5 percent). The upward pressure on expenditure was driven by Recurrent Expenditure, which accounted for \$800.0 billion (96.3 percent) of overall spending while Capital Expenditure amounted to \$31.2 billion. As a share of GDP, expenditure (net of amortization and other outflows) grew by 8.6 percent relative to the corresponding period of FY 2024/25 (see Figure 3F).

Figure 3F: April to December Actual vs. Budgeted Expenditure Performance to GDP Ratios from FY 2019/20 to FY 2025/26



Source: MOFPS

Recurrent Expenditure

Recurrent Expenditure exceeded the original ceiling of \$777.0 billion by \$22.9 billion (or 2.9 percent). Relative to spending during the corresponding period of FY 2024/25, expenditure grew by 9.8 percent. This year-over-year growth in expenditure reflects higher spending on Programmes (up 11.0 percent) and Compensation of Employees (up 14.7 percent). In contrast, there were lower Interest payments by 2.5 percent relative to original projections. Similarly, Interest payments declined by 4.9 percent relative to the spending for April – December 2024.

Programmes expenditure of \$294.2 billion was higher than budget by \$18.5 billion (or 6.7 percent) reflecting spending for post-Hurricane Melissa recovery and response. Increased spending year-over-year is also attributable to increased provisions for several social schemes including pensions and PATH benefits.

Spending on Compensation of Employees for the review period totaled \$381.2 billion, exceeding the expenditure ceiling by 2.0 percent and FY 2024/25 spending by 14.7 percent. The year-over-year increase relative to the corresponding period of FY 2024/25 was driven primarily by salary adjustments arising from advancement of public sector workers along their substantive salary bands.

Interest payments totaled \$124.6 billion and remained within the expenditure ceiling by 2.5 percent, reflecting a combination of higher-than-programmed domestic payments and lower-than-budgeted external payments. Domestic interest payments exceeded budget by 19.8 percent, primarily reflecting a higher stock of outstanding domestic debt due to the higher-than-planned borrowing during the last quarter of FY 2024/25 as well as during FY 2025/26. In contrast, external interest payments were 15.6 percent below budget, largely due to lower-than-projected exchange rates and the partial use of contingency provisions that were allocated to accommodate potential new international financing agreements.

Capital Expenditure for the review period amounted to \$31.2 billion, a shortfall of \$18.5 billion (or 37.2 percent), due to the slower-than-programmed pace of execution of several planned public investment projects. This also reflected a decline of 15.1 percent when compared to April – December 2024.

Debt Financing Flows

Loan receipts of \$137.8 billion for the April to December 2025 period were \$49.5 billion (or 56.1 percent) above budget. Domestic loan receipts totaled \$125.7 billion, 56.9 percent above budget, reflecting additional issuance of Benchmark Investment Notes above the Original Budget projection. Inflows from external sources were also higher-than-projected by 47.7 percent, amounting to \$12.1 billion. This surplus primarily reflects the post-Melissa inflow of US\$41.8 million from the World Banks' CAT-DDO, which is one of the instruments in the GOJ's disaster risk financing portfolio. Other inflows of \$3.4 billion reflected a below original projection performance by 20.6 percent, due to adjustments to specific repayment agreements relating to the principal portion of on-lent loans.

Total Amortization amounted to \$130.0 billion, which was marginally higher than budget, by 0.9 percent. Both domestic and external principal payments, totaling \$54.0 billion and \$76.0 billion, respectively, were broadly in line with their original projections. Relative to the corresponding period of FY 2024/25, amortization for the review period was higher by 21.1 percent.

Other Outflows totaling \$26.1 billion reflected loans to the Development Bank of Jamaica for on-lending (\$2.0 billion) and a loan of \$24.1 billion (US\$150 million) provided to the Jamaica Public Service (JPS) to accelerate electricity restoration efforts following Hurricane Melissa.

Central Government Performance: April-December 2025 against Third Supplementary Estimates

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

Table 3B.1: Central Government Summary Accounts – April to December 2025 outturn against FY 2025/26 Third Supplementary Estimates (J\$mn)

Item	Third Supplementary Estimates				FY 2024/25				FY 2023/24			
	Prov Apr - Dec	Apr - Dec	Diff	Diff %	Apr - Dec	Diff	Diff %	Apr - Dec	Diff	Diff %		
Revenue & Grants	806,382.3	797,775.4	8,606.9	1.1%	738,559.2	67,823.1	9.2%	640,354.7	166,027.7	25.9%		
Tax Revenue	647,700.0	641,906.1	5,793.9	0.9%	608,303.6	39,396.3	6.5%	581,767.2	65,932.8	11.3%		
Non-Tax Revenue	156,127.2	154,086.8	2,040.4	1.3%	125,812.7	30,314.5	24.1%	51,636.7	104,490.5	202.4%		
Bauxite Levy	121.6	121.4	0.2	0.2%	0.0	121.6	-	940.2	(818.6)	-87.1%		
Capital Revenue	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%		
Grants	2,433.6	1,661.1	772.5	46.5%	4,442.9	(2,009.3)	-45.2%	6,010.7	(3,577.1)	-59.5%		
Expenditure	831,052.5	840,619.2	(9,566.6)	-1.1%	765,007.5	66,045.1	8.6%	673,600.1	157,452.4	23.4%		
Recurrent Expenditure	799,888.8	808,571.1	(8,682.3)	-1.1%	728,299.3	71,589.4	9.8%	636,714.6	163,174.1	25.6%		
Programmes	294,154.1	296,993.5	(2,839.3)	-1.0%	264,951.1	29,203.0	11.0%	211,178.7	82,975.4	39.3%		
Compensation of Employees	381,161.5	385,263.7	(4,102.2)	-1.1%	332,410.2	48,751.3	14.7%	303,262.2	77,899.3	25.7%		
Wages & Salaries	355,321.5	359,222.4	(3,900.9)	-1.1%	315,125.1	40,196.4	12.8%	283,852.6	71,468.9	25.2%		
Employers Contribution	25,840.0	26,041.3	-201.3	-0.8%	17,285.1	8,554.9	49.5%	19,409.6	6,430.3	33.1%		
Interest	124,573.2	126,313.9	(1,740.8)	-1.4%	130,938.1	(6,364.9)	-4.9%	122,273.7	2,299.5	1.9%		
Domestic	56,765.8	57,895.2	(1,129.4)	-2.0%	56,335.7	430.1	0.8%	52,784.3	3,981.5	7.5%		
External	67,807.3	68,418.7	(611.3)	-0.9%	74,602.4	(6,795.0)	-9.1%	69,489.4	(1,682.0)	-2.4%		
Capital Expenditure	31,163.8	32,048.1	(884.3)	-2.8%	36,708.1	(5,544.3)	-15.1%	36,885.5	(5,721.7)	-15.5%		
Capital Programmes	31,163.8	32,048.1	(884.3)	-2.8%	36,708.1	(5,544.3)	-15.1%	36,885.5	(5,721.7)	-15.5%		
Fiscal Balance (Surplus + / Deficit -)	(24,670.2)	(42,843.8)	18,173.6	42.4%	(26,448.3)	1,778.1	6.7%	(33,245.4)	8,575.2	25.8%		
Loan Receipts	137,778.5	145,612.5	(7,834.0)	-5.4%	105,393.8	32,384.7	30.7%	153,064.5	(15,286.0)	-10.0%		
Domestic	125,671.2	125,698.3	(27.1)	0.0%	57,121.6	68,549.6	120.0%	52,363.9	73,307.4	140.0%		
External	12,107.3	19,914.2	-7,806.9	-39.2%	48,272.2	(36,164.9)	-74.9%	100,700.7	(88,593.4)	-88.0%		
Project Loans	5,397.1	19,914.2	-14,517.1	-72.9%	7,642.6	(2,245.5)	-29.4%	12,842.0	(7,444.9)	-58.0%		
Other	6,710.2	0.0	6,710.2	-	40,629.7	(33,919.4)	-83.5%	87,858.7	(81,148.5)	-92.4%		
Other Inflows (inc'ds PCDF)	3,436.5	2,752.4	684.1	24.9%	15,313.6	(11,877.1)	-77.6%	21,303.1	(17,866.6)	-83.9%		
Other Outflows	26,102.8	26,180.0	-77.2	-0.3%	0.0	26,102.8	-	12,469.3	13,633.5	109.3%		
Amortization	130,012.8	130,229.5	(216.7)	-0.2%	164,870.5	(34,857.7)	-21.1%	108,259.1	21,753.7	20.1%		
Domestic	53,969.6	53,993.5	(24.0)	0.0%	58,401.2	(4,431.6)	-7.6%	16,004.3	37,965.3	237.2%		
External	76,043.2	76,235.9	(192.7)	-0.3%	106,469.3	(30,426.1)	-28.6%	92,254.8	(16,211.5)	-17.6%		
Overall Balance (Surplus + / Deficit -)	(39,570.7)	(50,888.3)	11,317.6	22.2%	(70,611.3)	31,040.6	44.0%	20,393.8	(59,964.6)	-294.0%		
Primary Balance (Surplus + / Deficit -)	99,903.0	83,470.1	16,432.8	19.7%	104,489.9	(4,586.9)	-4.4%	89,028.2	10,874.7	12.2%		

Source: MOFPS

**Table 3B.2: Details of Revenue – April to December 2025 outturn against FY 2025/26
Third Supplementary Estimates (J\$mn)**

Item	Third Supplementary Estimates		Diff	Diff %	FY 2024/25		Diff	Diff %	FY 2023/24		Diff	Diff %
	Prov Apr - Dec	Apr - Dec			Apr - Dec				Apr - Dec			
Revenue & Grants	806,382.3	797,775.4	8,606.9	1.1%	738,559.2	67,823.1	9.2%	640,354.7	166,027.7	25.9%		
Tax Revenue	647,700.0	641,906.1	5,793.9	0.9%	608,303.6	39,396.3	6.5%	581,767.2	65,932.8	11.3%		
Income and profits	207,817.8	207,242.4	575.3	0.3%	186,578.7	21,239.0	11.4%	173,769.9	34,047.9	19.6%		
Bauxite/alumina	970.6	970.6	0.0	0.0%	156.8	813.8	518.9%	0.0	970.6	-		
Other Companies	53,331.2	53,052.1	279.0	0.5%	51,661.2	1,669.9	3.2%	47,246.1	6,085.1	12.9%		
PAYE	118,248.4	119,552.0	(1,303.6)	-1.1%	101,284.8	16,963.6	16.7%	95,933.4	22,315.0	23.3%		
Tax on dividend	2,866.3	2,631.8	234.5	8.9%	2,644.8	221.5	8.4%	2,509.8	356.5	14.2%		
Individuals	3,162.1	3,006.9	155.3	5.2%	3,564.3	(402.1)	-11.3%	3,139.0	23.1	0.7%		
Tax on interest	29,239.2	28,029.0	1,210.2	4.3%	27,266.8	1,972.4	7.2%	24,941.5	4,297.6	17.2%		
Production and consumption	206,275.3	201,750.1	4,525.2	2.2%	195,166.6	11,108.7	5.7%	187,677.4	18,597.9	9.9%		
Min Business Tax	40.6	38.3	2.3	-	50.6	(10.0)	-19.7%	72.8	(32.2)	-44.2%		
SCT	18,983.6	17,445.4	1,538.2	8.8%	14,193.1	4,790.6	33.8%	16,540.1	2,443.5	14.8%		
Environmental Levy	742.5	740.7	1.8	0.2%	731.1	11.4	1.6%	604.6	137.9	22.8%		
Motor vehicle licenses	4,067.6	3,920.0	147.6	3.8%	3,998.3	69.4	1.7%	3,792.9	274.7	7.2%		
Other licenses	2,023.4	719.4	1,304.0	181.3%	1,254.2	769.1	61.3%	795.6	1,227.8	154.3%		
Quarry Tax	125.1	137.5	(12.4)	-9.0%	195.0	(69.9)	-35.9%	24.2	100.9	417.5%		
Betting, gaming and lottery	6,438.6	6,399.5	39.2	0.6%	6,210.5	228.2	3.7%	5,823.3	615.3	10.6%		
Accommodation Tax	2,355.1	2,330.5	24.6	1.1%	2,486.7	(131.6)	-5.3%	2,524.5	(169.4)	-6.7%		
Education Tax	39,961.0	39,431.1	529.9	1.3%	37,537.4	2,423.7	6.5%	34,124.5	5,836.6	17.1%		
Telephone Call Tax	1,858.8	1,803.5	55.3	3.1%	2,001.2	(142.5)	-7.1%	2,173.7	(314.9)	-14.5%		
Contractors levy	2,280.8	2,253.3	27.5	1.2%	2,094.6	186.2	8.9%	2,051.6	229.2	11.2%		
GCT (Local)	120,534.2	120,158.7	375.6	0.3%	118,614.6	1,919.6	1.6%	114,030.6	6,503.6	5.7%		
Stamp Duty (Local)	6,863.9	6,372.3	491.6	7.7%	5,799.4	1,064.5	18.4%	5,118.9	1,745.0	34.1%		
International Trade	233,606.9	232,913.5	693.4	0.3%	226,558.3	7,048.6	3.1%	220,319.9	13,287.0	6.0%		
Custom Duty	52,365.8	52,082.4	283.4	0.5%	49,926.6	2,439.2	4.9%	47,088.8	5,277.0	11.2%		
Stamp Duty	3,582.0	3,499.8	82.2	2.3%	3,193.9	388.2	12.2%	3,017.9	564.1	18.7%		
Travel Tax	20,284.4	21,299.4	(1,015.0)	-4.8%	20,798.4	(514.1)	-2.5%	21,708.7	(1,424.3)	-6.6%		
GCT (Imports)	100,511.4	100,475.1	36.3	0.0%	94,091.5	6,420.0	6.8%	92,038.1	8,473.3	9.2%		
SCT (Imports)	52,655.5	51,347.6	1,307.9	2.5%	54,431.1	(1,775.6)	-3.3%	52,387.4	268.1	0.5%		
Environmental Levy	4,207.8	4,209.2	(1.4)	0.0%	4,116.8	91.0	2.2%	4,079.0	128.8	3.2%		
Non-Tax Revenue	156,127.2	154,086.8	2,040.4	1.3%	125,812.7	30,314.5	24.1%	51,636.7	104,490.5	202.4%		
Bauxite Levy	121.6	121.4	0.2	-	0.0	121.6	-	940.2	(818.6)	-87.1%		
Capital Revenue	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%		
Grants	2,433.6	1,661.1	772.5	46.5%	4,442.9	(2,009.3)	-45.2%	6,010.7	(3,577.1)	-59.5%		

Source: MOFPS

Central Government Operations: Estimates to March 2026

Considering contributing factors including, inter alia, the emergence of additional spending requirements and revisions to the macroeconomic assumptions, the budget was revised during the fiscal year to ensure continued alignment of fiscal policy with Jamaica's national priorities and development objectives.

Four revisions followed the FY 2025/26 Original Budget that was approved in March 2025, culminating in the Fourth Supplementary Estimates approved in early February 2026 (see Table 3C). Revisions to the First Supplementary Estimates were primarily attributable to increased expenditure relating to public sector wage agreements, while the Second Supplementary Estimates reflected the reassignment of subjects following the September 2025 General Elections. The formulation of the Third and Fourth Supplementary Estimates primarily facilitated provisions for the Hurricane Melissa response efforts.

Table 3C: Budget Revisions FY 2025/26 (J\$mn)

Item	Original Budget FY 2025/26	First/Second Supplementary Estimates	Third Supplementary Estimates	Fourth Supplementary Estimates	Difference between the Original and 1st/2nd Suppl. Est.	Diff between the Original and 3rd Suppl. Est.	Diff between the Original and 4th Suppl. Est.	Diff between the 1st/2nd Suppl. Est. and 4th Suppl. Est.	Diff between the 3rd Suppl. Est. and 4th Suppl. Est.
Revenue & Grants	1,096,083.1	1,106,789.1	1,065,657.9	1,069,133.9	10,706	(30,425)	(26,949)	(37,655)	3,476
Tax Revenue	949,493.9	950,593.9	869,012.0	869,012.0	1,100	(80,482)	(80,482)	(81,582)	0.0
Non-Tax Revenue	139,816.4	149,422.4	191,140.0	194,160.3	9,606	51,324	54,344	44,738	3,020
Bauxite Levy	812.0	812.0	693.9	693.9	0.0	(118)	(118)	(118)	0.0
Capital Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants	5,960.8	5,960.8	4,812.1	5,267.7	0.0	(1,149)	(693)	(693)	456
Expenditure	1,095,302.8	1,105,791.9	1,189,390.7	1,203,750.7	10,489	94,088	108,448	97,959	14,360
Programmes	359,375.3	360,087.8	430,139.6	444,499.6	712	70,764	85,124	84,412	14,360
Compensation of Employees	495,799.4	510,486.9	522,004.6	522,004.6	14,688	26,205	26,205	11,518	-
Interest	177,532.5	177,532.5	181,764.3	181,764.3	0.0	4,231.8	4,232	4,232	0.0
Capital	62,595.6	57,684.7	55,482.2	55,482.2	(4,911)	(7,113)	(7,113)	(2,203)	0.0
Fiscal Balance	780.3	997.2	-123,732.8	-134,616.8	217	(124,513)	(135,397)	(135,614)	(10,884)
Debt Service	340,278.8	340,278.8	343,070.5	343,070.5	0.0	2,792	2,792	2,792	0.0
Interest	177,532.5	177,532.5	181,764.3	181,764.3	0.0	4,232	4,232	4,232	0.0
Principal	162,746.2	162,746.2	161,306.2	161,306.2	0.0	(1,440)	(1,440)	(1,440)	0.0
Overall Balance	-578.0	-361.1	33,478.4	76,465.1	217	34,056	77,043	76,826	42,987
Primary Balance	178,312.9	178,529.8	58,031.5	47,147.5	217	(120,281)	(131,165)	(131,382)	(10,884)

Source: MOFPS

Table 3C.2: Budget Revisions FY 2025/26 (%changes)

Item	Original Budget	First/Second Supplementary Estimates	Third Supplementary Estimates	Fourth Supplementary Estimates	Difference between the Original and 1st/2nd Suppl. Est. (%)	Diff between the Original and 3rd Suppl. Est. (%)	Diff between the Original and 4th Suppl. Est. (%)	Diff between the 1st/2nd Suppl. Est. and 4th Suppl. Est. (%)	Diff between the 3rd Suppl. Est. and 4th Suppl. Est. (%)
Revenue & Grants	1,096,083.1	1,106,789.1	1,065,657.9	1,069,133.9	1.0%	-2.8%	-2.5%	-3.4%	0.3%
Tax Revenue	949,493.9	950,593.9	869,012.0	869,012.0	0.1%	-8.5%	-8.5%	-8.6%	0.0%
Non-Tax Revenue	139,816.4	149,422.4	191,140.0	194,160.3	6.9%	36.7%	38.9%	29.9%	1.6%
Bauxite Levy	812.0	812.0	693.9	693.9	0.0%	-14.5%	-14.5%	-14.5%	0.0%
Capital Revenue	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%	0.0%	100.0%
Grants	5,960.8	5,960.8	4,812.1	5,267.7	0.0%	-19.3%	-11.6%	-11.6%	9.5%
Expenditure	1,095,302.8	1,105,791.9	1,189,390.7	1,203,750.7	1.0%	8.6%	9.9%	8.9%	1.2%
Programmes	359,375.3	360,087.8	430,139.6	444,499.6	0.2%	19.7%	23.7%	23.4%	3.3%
Compensation of Employees	495,799.4	510,486.9	522,004.6	522,004.6	3.0%	5.3%	5.3%	2.3%	0.0%
Interest	177,532.5	177,532.5	181,764.3	181,764.3	0.0%	2.4%	2.4%	2.4%	0.0%
Capital	62,595.6	57,684.7	55,482.2	55,482.2	-7.8%	-11.4%	-11.4%	-3.8%	0.0%
Fiscal Balance	780.3	997.2	-123,732.8	-134,616.8	27.8%	-15956.4%	-17351.2%	-13599.0%	8.8%
Debt Service	340,278.8	340,278.8	343,070.5	343,070.5	0.0%	0.8%	0.8%	0.8%	0.0%
Interest	177,532.5	177,532.5	181,764.3	181,764.3	0.0%	2.4%	2.4%	2.4%	0.0%
Principal	162,746.2	162,746.2	161,306.2	161,306.2	0.0%	-0.9%	-0.9%	-0.9%	0.0%
Overall Balance	-578.0	-361.1	33,478.4	76,465.1	-37.5%	-5892.4%	-13330.0%	-21277.5%	128.4%
Primary Balance	178,312.9	178,529.8	58,031.5	47,147.5	0.1%	-67.5%	-73.6%	-73.6%	-18.8%

Source: MOFPS

Revenue and Grants

Revenue & Grants are projected at \$1,069.1 billion, representing a decline of \$26.9 billion (2.5 percent) relative to the March 2025 Original Budget (see Table 3C), largely reflecting the impact of lower Tax revenue and higher Non-Tax revenue. Tax Revenue is projected to decline by \$80.5 billion, relative to the Original Budget. The reduction in Tax revenue is attributable to the combined effect of a lower tax revenue base compared to that underlying the Original Budget, the policy decision to shift the due date for filing annual Income Tax returns with Tax Administration Jamaica (TAJ) for the 2025 year of assessment from March 15th to April 15th 2026 and the adverse impact of Hurricane Melissa on economic activities.

Non-Tax Revenue is projected to grow by \$54.3 billion (or 38.5 percent) when compared to the Original Budget. This projection is expected to exceed the outturn for FY 2024/25 by \$23.9 billion. The increase in Non-Tax revenue relative to the Original Budget primarily reflects payouts from Jamaica's Catastrophe Bond as well as the Tropical Cyclone and Excess Rainfall policies with CCRIF. Higher-than-projected inflows from the securitization transaction relating to the Sangster International Airport also contributed to the increase in Non-Tax Revenue.

Collections from Grants are projected to fall by \$0.7 billion relative to the Original Budget. There is no Capital Revenue projected in the Fourth Supplementary Estimates. Inflows from Bauxite Levy for FY 2025/26 are projected to be lower than the Original Budget by \$0.1 billion.

Within the context of the suspension of the fiscal rules, a fiscal deficit of \$134.6 billion is projected for the fiscal year, equivalent to 3.8 percent of GDP. This reflects a deterioration of \$135.4 billion relative to the Original Budget. The projected primary surplus of \$47.1 billion (1.3 percent of GDP) for FY 2025/26 reflects a deterioration of \$131.2 billion relative to the Original Budget.

Expenditure

Total Expenditure (above the line) for FY 2025/26 is programmed to increase by \$108.4 billion (or 9.9 percent) relative to the Original Budget, with a current projection of \$1,203.8 billion for the fiscal year. This comprises Recurrent Expenditure of \$1,148.3 billion (higher by \$115.6 billion or 11.2 percent) and Capital Expenditure of \$55.5 billion (down by \$7.1 billion or 11.4 percent). The increase in Recurrent Expenditure reflects higher Compensation of Employees by \$26.2 billion (or 5.3 percent), related to wage settlements for public sector employees; increased Programmes spending by \$85.1 billion (or 23.7 percent), partly reflecting Melissa-related spending and higher Interest payments by \$4.2 billion (or 2.4 percent), reflecting the net impact of higher domestic and lower external interest costs.

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

Public Debt Stock

At end-December 2025, the public debt stock amounted to \$2,197.8 billion, representing a 0.6 percent increase relative to end-March 2025 (see Table 3D) and a 1.0 percent year-over-year rise, driven primarily by higher Central Government domestic debt. Central Government debt totalled \$2,240.2 billion, increasing by 1.4 percent year-over-year and 0.9 percent relative to end-March 2025, reflecting increase in domestic marketable securities, particularly Benchmark Investment Notes (up 6.9 percent). External debt declined by 1.6 percent compared with end-December 2024 and by 2.9 percent relative to end-March 2025. Net public bodies' debt rose by \$6.2 billion over the period, contributing to a \$42.4 billion reduction in Total Specified Public Sector Debt.

The debt-to-GDP ratio is projected at 68.9 percent at end-FY 2025/26, an increase of 6.5 percentage points relative to end-March 2025.

Table 3D: Stock of Specified Public Sector Debt (J\$mn)

	End-Dec 2024		End-Mar 2025		End-Dec 2025		Change End-Dec 2024 vs End Dec 2025		Change End-March 2025 vs End Dec 2025	
	J\$ millions	% Total Public Debt	J\$ millions	% Total Public Debt	J\$ millions	% Total Public Debt	J\$ millions	%	J\$ millions	%
Total Specified Public Sector Debt	2,176,675.8	100.0	2,183,793.0	100.0	2,197,799.4	100.0	21,123.6	1.0%	14,006.4	0.6%
Total Central Government Debt	2,209,032.1	101.5	2,219,989.8	101.7	2,240,192.2	101.9	31,160.1	1.4%	20,202.4	0.9%
Central Government Domestic Debt	828,719.7	38.1	822,517.0	37.7	882,340.8	40.1	53,621.1	6.5%	59,823.8	6.8%
<u>Marketable Securities</u>	<u>828,719.5</u>	<u>38.1</u>	<u>822,516.8</u>	<u>37.7</u>	<u>882,340.6</u>	<u>40.1</u>	<u>53,621.1</u>	<u>6.5%</u>	<u>59,823.8</u>	<u>6.8%</u>
Bonds	818,419.5	37.6	812,216.8	37.2	872,040.6	39.7	53,621.1	6.6%	59,823.8	6.9%
Treasury Bills	10,300.0	0.5	10,300.0	0.5	10,300.0	0.5	0.0	0.0%	-10,300.0	-100.0%
<u>Loans (Commercial Banks, Public Sector)</u>	<u>0.2</u>	<u>0.0</u>	<u>0.2</u>	<u>(0.0)</u>	<u>0.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>	<u>-0.2</u>	<u>-100.0%</u>
Central Government External Debt	1,380,312.4		1,397,472.8	64.0	1,357,851.4	61.8	(22,461.0)	-1.6%	(39,621.4)	-2.9%
<u>Marketable Securities</u>	<u>750,286.4</u>	<u>34.5</u>	<u>758,683.3</u>	<u>34.7</u>	<u>740,114.6</u>	<u>33.7</u>	<u>(10,171.8)</u>	<u>-1.4%</u>	<u>(18,568.7)</u>	<u>-2.5%</u>
Bonds	750,286.4	34.5	758,683.3	34.7	740,114.6	33.7	(10,171.8)	-1.4%	(18,568.7)	-2.5%
<u>Loans</u>	<u>630,026.0</u>	<u>28.9</u>	<u>638,789.5</u>	<u>29.3</u>	<u>617,736.8</u>	<u>28.1</u>	<u>(12,289.3)</u>	<u>-2.0%</u>	<u>(21,052.7)</u>	<u>-3.4%</u>
Bilateral	98,045.1	4.5	91,412.5	4.2	83,460.6	3.8	(14,584.5)	-14.9%	(7,951.9)	-9.5%
OECD	1,318.5	0.1	1,359.3	0.1	1,167.7	0.1	(150.8)	-11.4%	(191.6)	-16.4%
Non-OECD	96,726.6	4.4	90,053.2	4.1	82,292.9	3.7	(14,433.7)	-14.9%	(7,760.3)	-9.4%
Multilateral	531,980.9	24.4	547,377.0	25.1	534,276.2	24.3	2,295.3	0.4%	(13,100.8)	-2.5%
IDB	222,448.8	10.2	219,584.0	10.1	208,388.8	9.5	(14,060.0)	-6.3%	(11,195.1)	-5.4%
IBRD	151,080.6	6.9	175,584.3	8.0	179,916.2	8.2	28,835.6	19.1%	4,331.9	2.4%
Other	158,451.5	7.3	152,208.8	7.0	145,971.2	6.6	(12,480.3)	-7.9%	(6,237.6)	-4.3%
Commercial Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%
Non Central Government Debt	(32,356.3)	(1.5)	(36,196.9)	(1.7)	(42,392.8)	(1.9)	(10,036.5)	31.0%	(6,195.9)	14.6%
Net Public Bodies	(32,356.3)	(1.5)	(36,196.9)	(1.7)	(42,392.8)	(1.9)	(10,036.5)	31.0%	(6,195.9)	14.6%

Source: MOFPS

MEDIUM-TERM FISCAL PROGRAMME

The Government's prioritization of reduction in the debt/GDP ratio, the strengthening of fiscal buffers and prudent expenditure control has helped to preserve macroeconomic stability in recent years and enabled a more timely and targeted response to Jamaica's most vulnerable groups in the aftermath of the destructive Hurricane Melissa. The hurricane, however, has exacerbated existing growth challenges, given the disruption to productive activity, adverse impact on revenue outturns and increased public expenditure demands. As a result, the risks to fiscal performance are skewed downside. This underscores the urgency of developing and implementing strategic productivity-enhancing measures that can support economic recovery and deliver near-term growth dividends, including a highly stimulated business environment, accelerated public sector efficiency, and targeted support for private investment and innovation in key sectors.

As the GOJ implements the recovery and reconstruction phase of the post-Melissa disaster management, it is imperative that emphasis be placed on restoring growth momentum and expanding the revenue base, thereby creating the fiscal space necessary to finance critical reconstruction and capital investments and improve the delivery of public goods and services to all Jamaicans, while preserving fiscal sustainability.

The medium-term fiscal programme outlined in Tables 3G and 3H has been formulated within the context of the GOJ's policy priorities, and is underpinned by the macroeconomic assumptions provided in the Macroeconomic Framework.

Revenue Strategy

The Government of Jamaica (GOJ), through the Principal Revenue Receivers (PRRs), 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 facilitate 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 main initiatives to be undertaken during FY 2026/27 are detailed in Appendix IV.

Revenue Profile

Revenue and Grants are programmed at 27.6 percent of GDP in FY 2026/27, 2.7 percentage points lower than the 30.3 percent of GDP estimated for FY 2025/26, largely due to lower projected Non-Tax receipts. Over the medium term, Revenue & Grants as a percentage of GDP are projected to average 27.5 percent (see Table 3H). Tax Revenue as a percentage of GDP for FY 2026/27 is projected to be 24.9 percent, compared to the estimate of 24.6 percent for FY 2025/26, and is forecasted to average 25.0 percent over the medium term. Non-tax Revenue is projected to decline from 5.5 percent of GDP in FY 2025/26 to 2.4 percent of GDP for FY 2026/27. Over the medium term, Non-Tax revenue is projected to average 2.4 percent. Inflows from Grants are forecasted to average 0.2 percent 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 33.0 percent of GDP in FY 2026/27 to 29.7 percent in FY 2029/30. The declining expenditure ratio is influenced by the projected reduction in recurrent spending as a percentage of GDP over the medium term.

Capital expenditure is projected to increase from 1.6 percent of GDP in FY 2025/26 to 2.6 percent in FY 2026/27 and is forecasted to average 2.0 percent over the medium term.

FY 2026/27 BUDGET – CENTRAL GOVERNMENT

The Central Government budget for FY 2026/27 is predicated on the revised macroeconomic assumptions and has been formulated to reflect the recovery and reconstruction priority of the GOJ following Hurricane Melissa. The fiscal programme also aims to support the objective of returning the public debt to a downward path. Within this context, the Government has programmed a Central Government fiscal deficit of 4.9 percent of GDP for FY 2026/27. Over the medium term the fiscal deficit is projected to gradually decline to 1.5 percent of GDP by FY 2029/30. A primary surplus of 0.5 percent of GDP is projected to be attained in FY 2026/27, with a gradual increase over the medium term to 2.2 percent of GDP by FY 2029/30.

Revenue and Grants

The Revenue and Grants projection for FY 2026/27 is \$1,083.5 billion, reflecting an increase over the FY 2025/26 Fourth Supplementary Estimates of \$1,069.1 billion by 1.3 percent, largely on account of Tax Revenue which is programmed at \$979.4bn (25.4 percent of GDP). Tax Revenue is projected to account for 90.4 percent of total Revenue and Grants, reflecting an increase compared to 81.3 percent of the estimated outturn for FY 2025/26.

Planned revenue measures included in the \$1,083.5 billion are outlined in the Revenue Measures Ministry Paper.

Table 3F: FY 2026/27 Revenue Forecast

	FY 2026/27	FY 2025/26	% Change
	(J\$bn)	(J\$bn)	
Revenue & Grants	1,083.5	1,069.1	1.3%
Tax Revenue	979.4	869.0	12.7%
Non-Tax Revenue	97.3	194.2	-49.9%
Bauxite Levy	1.5	0.7	115.0%
Capital Revenue	0	0	0.0%
Grants	5.33	5.27	1.3%

Source: MOFPS

Expenditure

Non-Debt Expenditure

The Central Government Non-Debt (above-the-line) Expenditure Budget is projected at \$1,101.6 billion, of which Recurrent Expenditure accounts for \$963.5 billion or 87.5 percent and Capital for \$99.7bn or 12.5 percent. The projection for FY 2026/27 represents an increase of \$38.3bn or 1.3 percent relative to the Non-Debt (above-the-line) expenditure reflected in the FY 2025/26 Fourth Supplementary Estimates.

Total Non-Debt Recurrent Expenditure comprises (a) Recurrent Programmes of \$408.2 billion and (b) Compensation of Employees of \$555.2 billion.

Recurrent Programmes

Included in Recurrent Programmes allocation of \$408.2 billion is support to Public Bodies including the Jamaica Urban Transit Company, Airports Authority of Jamaica, the Students' Loan Bureau and the Universal Service Fund.

The allocation for Recurrent Programmes includes approximately \$2.5 billion that represents projected increase in PATH benefit.

Compensation of Employees

The \$555.2 billion allocation for Compensation of Employees includes a contingency of approximately \$42.8 billion provided under the Ministry of Finance and the Public Service to address new rates and retroactive payments that may result from public sector wage settlements during the fiscal year.

Capital Programmes

The capital expenditure allocation of \$99.7 billion includes a \$30.0 billion contingency provision for the Hurricane Melissa Reconstruction efforts that are expected to commence during FY 2026/27. The remaining \$69.7 billion includes a contingency of \$5.0 billion to facilitate the implementation of new and ongoing public investment projects during FY 2026/27. The Ministry of Health and Wellness (\$13.8 billion) and the Ministry of Economic Growth and Infrastructure Development (\$21.9 billion) account for \$35.7 billion, which is approximately 50 percent of the \$69.7 billion allocation.

The allocation also includes \$13.6 billion for implementation of the following new public investment projects:

- Western Parishes Water Supply and Resilience Improvement (NWC) - \$11.0 billion
- Mobilization for the construction of the Montego Hills Police Facility (MNSP) - \$1.0 billion;
- Phase 2 of the Public Sector Transformation Programme (MOFPS) - \$1.66 billion;
- Upgrade of the Tax Administration Jamaica (TAJ) Revenue Administration Information System (RAiS) (MOFPS) - \$1.1 billion.

Debt Servicing

Debt service costs for FY 2026/27 are projected at \$78.5 billion, equivalent to 38.7 percent of tax revenue compared to the 39.5 percent estimated for FY 2025/26. The debt service costs comprise amortization payments of \$167.59 billion, and interest payments of \$210.96 billion.

Public Debt

Prudent management of the public debt is essential to return the debt-to-GDP ratio to a downward trajectory. 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 68.9 percent at end-FY 2025/26 to 65.7 percent at end-FY 2026/27 and is expected to continue on a downward trajectory throughout the medium term.

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

Item	Act. 2022/23	Act. 2023/24	Prov. 2024/25	Est. 2025/26	Proj. 2026/27	Proj. 2027/28	Proj. 2028/29	Proj. 2029/30
Revenue & Grants	827,775.1	925,283.0	1,058,575.6	1,069,133.9	1,083,532.3	1,172,181.8	1,258,485.2	1,335,261.7
Tax Revenue	752,841.1	831,573.9	882,755.8	869,012.0	979,368.3	1,065,153.4	1,145,700.8	1,214,439.9
Non-Tax Revenue	67,327.4	83,780.8	170,224.0	194,160.3	97,338.0	100,593.2	105,161.6	111,708.2
Bauxite Levy	1,266.1	1,795.5	0.0	693.9	1,491.6	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	6,340.6	8,132.9	5,595.8	5,267.7	5,334.4	6,435.2	7,622.7	9,113.6
Expenditure	819,989.0	924,110.8	1,050,899.6	1,203,750.7	1,274,191.1	1,309,675.2	1,360,698.7	1,421,543.4
Recurrent Expenditure	766,804.5	868,247.2	993,443.8	1,148,268.5	1,174,450.8	1,227,903.8	1,270,444.8	1,328,168.5
Programmes	277,303.4	292,463.8	366,667.7	444,499.6	408,249.2	434,397.6	458,950.7	488,675.6
Compensation of Employees	338,126.1	403,618.2	446,767.4	522,004.6	555,245.9	590,809.4	624,203.2	664,631.0
Wages & Salaries	317,884.6	378,213.2	423,004.4	487,064.9	519,460.8	553,588.4	584,878.4	622,759.3
Employers Contribution	20,241.5	25,405.0	23,763.0	34,939.8	35,785.1	37,221.0	39,324.8	41,871.8
Interest	151,375.0	172,165.3	180,008.7	181,764.3	210,955.7	202,696.7	187,291.0	174,861.8
Domestic	67,986.8	70,905.9	75,348.8	79,593.0	104,844.5	101,227.5	90,032.9	81,748.2
External	83,388.2	101,259.4	104,659.9	102,171.3	106,111.2	101,469.2	97,258.1	93,113.6
Capital Expenditure	53,184.5	55,863.5	57,455.9	55,482.2	99,740.4	81,771.4	90,253.8	93,375.0
Capital Programmes	53,184.5	55,863.5	57,455.9	55,482.2	99,740.4	81,771.4	90,253.8	93,375.0
Fiscal Balance (Surplus + / Deficit -)	7,786.1	1,172.3	7,675.9	(134,616.8)	(190,658.9)	(137,493.5)	(102,213.5)	(86,281.7)
Loan Receipts	118,293.5	199,897.4	254,711.7	394,180.6	247,148.6	384,427.3	434,233.2	224,809.7
Domestic	96,516.4	57,985.9	182,579.3	256,089.4	149,846.6	215,890.6	224,871.5	137,248.9
External	21,777.2	141,911.5	72,132.4	138,091.2	97,302.0	168,536.7	209,361.7	87,560.8
Other Inflows (inc'ds PCDF)	4,876.6	24,208.7	16,897.8	4,387.5	7,214.5	7,068.7	7,189.8	3,398.8
Other Outflows	0.0	13,919.3	0.0	26,180.0	0.0	0.0	0.0	0.0
Amortization	161,630.7	137,571.6	301,948.1	161,306.2	167,590.2	254,002.5	339,209.5	141,926.8
Domestic	115,419.9	21,692.9	170,728.1	58,928.5	40,558.6	95,662.2	165,265.7	69,980.0
External	46,210.7	115,878.8	131,220.0	102,377.7	127,031.6	158,340.3	173,943.8	71,946.8
Overall Balance (Surplus + / Deficit -)	(30,674.4)	73,787.5	(22,662.7)	76,465.1	-103,886.0	0.0	0.0	0.0
Primary Balance (Surplus + / Deficit -)	159,161.1	173,337.5	187,684.7	47,147.5	20,296.8	65,203.3	85,077.5	88,580.1
Total Payments	981,619.6	1,075,601.7	1,352,847.7	1,391,236.9	1,441,781.4	1,563,677.7	1,699,908.1	1,563,470.2

Source: MOFPS

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

Item	Act. 2021/22	Act. 2022/23	Act. 2023/24	Prov. 2024/25	Est. 2025/26	Proj. 2026/27	Proj. 2027/28	Proj. 2028/29	Proj. 2029/30
Revenue & Grants	28.4%	27.4%	27.7%	30.3%	30.3%	28.1%	28.0%	27.9%	27.9%
Tax Revenue	24.3%	24.9%	24.9%	25.3%	24.6%	25.4%	25.4%	25.4%	25.4%
Non-Tax Revenue	3.7%	2.2%	2.5%	4.9%	5.5%	2.5%	2.4%	2.3%	2.3%
Bauxite Levy	0.1%	0.0%	0.1%	0.0%	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%	0.0%
Grants	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%	0.2%	0.2%	0.2%
Expenditure	27.6%	27.1%	27.7%	30.1%	34.1%	33.0%	31.2%	30.1%	29.7%
Recurrent Expenditure	25.6%	25.4%	26.0%	28.4%	32.5%	30.4%	29.3%	28.1%	27.7%
Programmes	10.6%	9.2%	8.8%	10.5%	12.6%	10.6%	10.4%	10.2%	10.2%
Compensation of Employees	9.5%	11.2%	12.1%	12.8%	14.8%	14.4%	14.1%	13.8%	13.9%
Wages & Salaries	8.8%	10.5%	11.3%	12.1%	13.8%	13.5%	13.2%	13.0%	13.0%
Employers Contribution	0.8%	0.7%	0.8%	0.7%	1.0%	0.9%	0.9%	0.9%	0.9%
Interest	5.4%	5.0%	5.2%	5.2%	5.1%	5.5%	4.8%	4.1%	3.7%
Domestic	2.2%	2.2%	2.1%	2.2%	2.3%	2.7%	2.4%	2.0%	1.7%
External	3.2%	2.8%	3.0%	3.0%	2.9%	2.8%	2.4%	2.2%	1.9%
Capital Expenditure	2.0%	1.8%	1.7%	1.6%	1.6%	2.6%	2.0%	2.0%	2.0%
Capital Programmes	2.0%	1.8%	1.7%	1.6%	1.6%	2.6%	2.0%	2.0%	2.0%
Fiscal Balance (Surplus + / Deficit -)	0.8%	0.3%	0.0%	0.2%	-3.8%	-4.9%	-3.3%	-2.3%	-1.8%
Loan Receipts	5.9%	3.9%	6.0%	7.3%	11.2%	6.4%	9.2%	9.6%	4.7%
Domestic	3.0%	3.2%	1.7%	5.2%	7.3%	3.9%	5.1%	5.0%	2.9%
External	2.9%	0.7%	4.2%	2.1%	3.9%	2.5%	4.0%	4.6%	1.8%
Other Inflows (inc'ds PCDF)	0.1%	0.2%	0.7%	0.5%	0.1%	0.2%	0.2%	0.2%	0.1%
Other Outflows	0.8%	0.0%	0.4%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%
Amortization	6.3%	5.3%	4.1%	8.6%	4.6%	4.3%	6.1%	7.5%	3.0%
Domestic	2.9%	3.8%	0.6%	4.9%	1.7%	1.1%	2.3%	3.7%	1.5%
External	3.4%	1.5%	3.5%	3.8%	2.9%	3.3%	3.8%	3.9%	1.5%
Overall Balance (Surplus + / Deficit -)	-0.2%	-1.0%	2.2%	-0.6%	2.2%	-2.7%	0.0%	0.0%	0.0%
Primary Balance (Surplus + / Deficit -)	6.2%	5.3%	5.2%	5.4%	1.3%	0.5%	1.6%	1.9%	1.8%
Total Payments	34.6%	32.5%	32.2%	38.7%	39.4%	37.4%	37.3%	37.6%	32.7%
GDP	2,535,600.1	3,023,411.4	3,339,094.9	3,495,147.4	3,532,178.2	3,857,027.6	4,193,406.6	4,515,498.7	4,788,460.6

Source: MOFPS

FY 2026/27 BUDGET – SELF-FINANCING PUBLIC BODIES

The Group of SFPBs is projected to achieve an Overall Balance surplus of \$19.8 billion, a \$14.4 billion improvement on the estimated surplus of \$5.4 billion at March 31, 2026. While the Group of SFPBs projects mixed results, an increase in the groups operating surplus to \$93.5 billion is expected to contribute to the variance.

The group of SFPBs is projected to utilize this improved operating performance and support from the Central Government of \$31.2 billion to finance the implementation of capital projects with expenditure and investments projected to increase from \$80.1 billion in FY 2025/26 to \$105.6 billion in FY 2026/27. The National Housing Trust (NHT - \$54.7 billion) and the Port Authority of Jamaica (PAJ - \$10.5 billion) should account for 62 percent (\$65.2 billion) of the planned capital expenditure. The Airports Authority of Jamaica (\$9.5 billion), Urban Development Corporation (UDC - \$5.5 billion) and National Water Commission (NWC – \$3.6 billion) should account for another \$18.6 billion (18 percent) of projected capital expenditure.

National Housing Trust (NHT)

The NHT will continue its efforts to facilitate increased access to housing solutions by its contributors. Accordingly, the Trust plans to commence construction on 10,675 (FY 2025/26: 8,425) new housing solutions and to deliver a total of 5,673 (FY 2025/26: 3,111) during the year. This is expected to result in an increase of \$6.3 billion in the NHT's total housing expenditure to \$50.3 billion (FY 2025/26: \$43.97 billion). Total housing expenditure is expected to account for 92 percent 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 \$80.6 billion (FY 2025/26: \$87.3 billion). The NHT also projects to incur mortgage interest rate subsidy cost of \$15.9 billion (FY 2025/26: \$12.5 billion) to facilitate increased access to financing under its Joint Finance Mortgage Programme.

Port Authority of Jamaica (PAJ)

The PAJ plans to advance the development of the Caymanas Special Economic Zone during FY 2026/27 with capital expenditure of \$8.9 billion (FY 2025/26: \$2.1 billion), which represents 85 percent of its total capital budget of \$10.5 billion (FY 2025/26: \$6.3 billion). During the year, the PAJ plans to complete the acquisition of a 700-acre property from the UDC and undertake design and infrastructure works to support the development of the Special Economic Zone.

Airport Authority of Jamaica (AAJ)

The AAJ is projected to incur an operational deficit of \$3.7 billion (FY 2025/26: \$1.97 billion surplus) due primarily to an increase in expenses pursuant to the monetization of the Sangster International Airport concession fees. The operational deficit and planned capital expenditure will be funded by allocation from the Consolidated Fund of \$13.0 billion. AAJ's planned capital expenditure of \$9.5 billion (FY 2025/26: \$3.8 billion) comprises primarily \$4.98 billion to fund

the rehabilitation of the Norman Manley International Airport Apron as well as \$2.1 billion to facilitate improvements at the Aerodromes.

Urban Development Corporation (UDC)

The UDC plans to continue driving economic output with the development of key infrastructure projects at a budgeted cost of \$5.5 billion (FY 2025/26: \$2.3 billion) to be financed from capital revenues of \$3.8 billion (FY 2025/26: \$3.3 billion) and its operating surplus. Planned developments include the Caymanas Commercial Block 1 (\$1.2 billion).

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 \$3.6 billion (FY 2025/26: \$2.5 billion) with focus on:

- i. Upgrade of water supply and sewerage projects under the K-Factor Programme (\$1.9 billion);
- ii. The continued implementation of the water supply project for Greater Mandeville (\$517.87 million);
- iii. The improvement of major potable water transmission mains (\$322 million); and
- iv. Other capital projects (\$871.96 million).

Transfers from the Central Government

For the budget year, several public bodies are expected to receive transfers totalling approximately \$31.1 billion (FY 2025/26: \$36.1 billion) from the Central Government mainly for budget support and capital programmes. Entities which should benefit include the Airports Authority of Jamaica (budgetary support and capital expenditure - \$13.0 billion), Jamaica Urban Transit Company (budgetary support - \$11.1 billion), the Students Loan Bureau (financing and programme support - \$2.25 billion), and the Universal Service Fund (budgetary and programme support - \$1.4 billion).

Transfers to the Central Government

The Group of SFPBs is projected to transfer a total of \$60.5 billion (FY 2025/26: \$65.3 billion) to the Central Government by way of Financial Distributions, Special Distributions and Other Taxes. Projected transfers include Petrojam Limited (special consumption tax and ad-valorem - \$46.9 billion), and the NHT (special financial distribution - \$11.4 billion).

Table 3I outlines the financial projection of the group of self-financing public bodies for FY 2026/27.

Table 3I: Summary of Financial Forecast for FY 2026/27 - Self-Financing Public Bodies (J\$mn)

	Actual 2024/25	Original 2025/26	Estimated 2025/26	Projected 2026/27
Statement 'A' Flow of Funds				
1 Current Revenue	583,594.13	644,063.49	579,363.34	618,702.39
2 Current Expenses	(478,015.60)	(537,788.96)	(502,277.40)	(525,179.52)
3 Current Balance	105,578.53	106,274.53	77,085.94	93,522.88
4 Adjustments	22,131.92	23,095.29	(5,108.35)	36,377.06
Change in Accounts	0.00	0.00	0.00	0.00
Receivable/Payable	23,612.67	9,447.07	(14,322.99)	18,532.66
Items not requiring outlay of cash:	0.00	0.00	0.00	0.00
Depreciation	14,381.04	16,809.39	15,003.17	17,522.22
Other Non-Cash Items	(15,861.79)	(3,161.18)	(5,788.54)	322.17
Prior Year Adjustment	0.00	0.00	0.00	0.00
5 Operating Balance	127,710.45	129,369.81	71,977.58	129,899.93
6 Capital Account	(19,386.56)	(64,778.02)	(36,759.91)	(79,728.77)
Revenue	32,193.45	32,901.56	32,669.77	28,214.99
Expenditure	(42,444.18)	(99,780.42)	(79,923.95)	(105,183.40)
Investment	(0.20)	(1,729.53)	(190.00)	(385.96)
Change in Inventory	(9,135.63)	3,830.37	10,684.28	(2,374.40)
7 Transfers from Government	48,509.12	27,819.96	35,570.35	30,174.11
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	48,509.12	27,819.96	35,570.35	30,174.11
8 Transfers to Government	(71,819.35)	(62,907.18)	(65,340.01)	(60,501.48)
Dividend	(22,602.80)	(12,067.74)	(16,577.43)	(11,449.58)
Loan Repayments	0.00	0.00	0.00	0.00
Corporate Taxes	(1,298.37)	(1,918.25)	(1,479.38)	(8.29)
Other	(47,918.18)	(48,921.19)	(47,283.20)	(49,043.61)
9 OVERALL BALANCE (5+6+7+8)	85,013.66	29,504.57	5,448.02	19,843.79
10 FINANCING (11+15)	(85,013.66)	(29,504.57)	(5,448.02)	(19,843.79)
10a Total	(3,325.44)	3,307.49	2,910.62	73.98
Capital Revenue	2,180.72	4,467.08	7,370.67	5,191.37
Loans	0.00	3,262.00	2,000.00	0.00
Equity	0.00	783.99	500.00	1,000.00
On-Lending	0.00	0.00	0.00	0.00
Loan Repayments	(5,506.16)	(5,205.58)	(6,960.05)	(6,117.39)
11 Total Foreign (12+13+14)	(27,693.39)	(15,165.11)	(15,706.19)	15,560.41
12 Government Guaranteed Loans	(33,624.42)	(2,275.84)	(1,674.66)	(1,630.68)
Disbursement	0.00	0.00	796.80	1,593.00
Amortization	(33,624.42)	(2,275.84)	(2,471.46)	(3,223.68)
13 Direct Loans	5,931.03	(12,889.27)	(14,031.53)	17,191.09
Long Term:	(17.11)	(121.71)	(13.58)	(335.39)
Disbursement	0.00	400.00	0.00	262.00
Amortisation	(17.11)	(521.71)	(13.58)	(597.39)
Short Term:	5,948.14	0.00	(14,017.95)	17,526.48
Change in Trade Credits	5,948.14	(12,767.56)	(14,017.95)	17,526.48
14 Change in Deposits Abroad	0.00	0.00	0.00	0.00
15 Total Domestic (16+17+18)	(53,994.83)	(17,646.94)	7,347.56	(35,478.19)
16 Banking System	(14,620.84)	21,020.63	41,675.86	(8,113.52)
Loans (Change)	(4,277.08)	(654.60)	(2,613.58)	6,655.96
Overdraft (Change)	1.83	0.00	(1.83)	0.00
Deposits (Change)	(10,345.59)	21,675.23	44,291.27	(14,769.48)
17 Non-Banks (Change)	0.00	0.00	0.00	0.00
18 Other (Change)	(39,373.99)	(38,667.58)	(34,328.31)	(27,364.66)

Source: MOFPS

APPENDIX 1

MEDIUM TERM EXPENDITURE PROFILE \$'000

TABLE 1A - NON-DEBT RECURRENT EXPENDITURE

Heads	Revised Estimates 2024/2025	Approved Estimates 2025/2026	Revised Estimates 2025/2026	Provisional Expenditure 2025/2026 Apr-Dec	Estimates of Expenditure 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030
His Excellency the Governor-General and Staff	706,557	630,703	709,306	441,890	752,203	774,912	798,757	823,794
Houses of Parliament	2,420,619	2,549,830	2,565,693	1,694,188	2,568,494	2,599,784	2,632,639	2,667,137
Office of the Public Defender	351,542	356,717	472,183	274,658	394,847	404,335	414,298	424,759
Office of the Auditor-General	1,483,916	1,453,155	1,666,381	1,087,501	1,618,190	1,666,373	1,716,965	1,770,085
Office of the Services Commissions	553,620	584,538	615,047	417,639	618,627	622,523	626,614	630,909
Office of the Children's Advocate	439,272	434,480	522,297	304,246	596,331	613,545	631,620	650,599
Independent Commission of Investigations	985,707	979,028	1,175,637	741,835	1,467,122	1,501,837	1,538,286	1,576,560
Integrity Commission	1,827,297	1,991,801	2,041,385	1,204,116	1,933,115	1,967,422	2,003,445	2,041,268
Independent Fiscal Commission	107,616	448,491	439,491	97,879	412,400	416,460	430,839	443,972
Office of the Prime Minister	19,579,310	19,663,630	36,673,975	16,951,078	73,628,691	74,833,767	75,733,263	77,046,418
Office of the Cabinet	758,611	834,067	867,520	593,103	876,810	886,527	896,762	907,544
Ministry of Tourism	15,677,548	16,025,693	19,540,817	14,973,520	16,811,435	17,516,043	18,267,310	19,069,281
Ministry of Economic Growth and Infrastructure Development	31,570,951	35,538,497	36,788,135	28,439,041	18,580,385	19,022,606	19,633,859	20,283,247
Ministry of Finance and Public Service	107,572,960	146,205,866	147,618,506	105,059,966	188,584,000	242,787,421	290,268,388	348,886,811
Ministry of Water, Environment and Climate Change			7,600,187	4,312,850	4,598,555	4,714,823	4,837,454	4,966,850
Ministry of National Security and Peace	158,808,100	154,865,598	160,194,946	122,378,013	123,913,673	125,539,317	127,251,708	129,054,009
Ministry of Legal and Constitutional Affairs	1,382,464	1,598,736	894,876	846,228				
Ministry of Justice and Constitutional Affairs (Outgoing)	17,169,559	20,097,394	21,192,565	13,278,708	21,809,820	21,689,861	22,088,613	22,518,194
Ministry of Foreign Affairs and Foreign Trade	6,696,838	7,355,278	7,514,572	5,420,488	8,682,812	9,087,636	9,539,390	10,044,422
Ministry of Labour and Social Security	20,610,998	21,338,020	32,801,800	16,880,468	21,280,639	21,178,325	21,363,661	21,564,646
Ministry of Education, Skills, Youth and Information	199,165,582	183,528,919	211,550,703	154,989,746	199,343,453	198,819,519	199,536,884	200,298,738
Ministry of Health and Wellness	149,313,466	155,642,960	193,551,069	140,158,970	187,392,506	190,351,800	193,524,853	196,890,707
Ministry of Culture, Gender, Entertainment and Sport	6,760,502	6,760,502	7,802,636	5,032,754	7,689,825	7,297,369	7,463,305	7,676,051
Ministry of Agriculture, Fisheries and Mining	17,497,265	16,908,661	20,872,565	14,389,168	17,684,114	18,341,788	18,728,717	19,138,089
Ministry of Industry, Investment and Commerce	7,410,526	7,509,395	7,945,743	5,686,082	8,568,563	8,505,472	8,753,663	9,026,896
Ministry of Energy, Telecommunications and Transport	27,483,464	29,981,471	32,571,342	20,079,435	25,711,830	25,953,648	26,209,299	26,479,734
Ministry of Local Government and Community Development	28,235,167	23,891,226	36,494,901	25,684,817	27,976,665	28,113,972	28,263,260	28,425,897
TOTAL RECURRENT	824,569,457	857,174,656	992,684,278	701,418,387	963,495,105	1,025,207,085	1,083,153,852	1,153,306,617

APPENDIX 1

MEDIUM TERM EXPENDITURE PROFILE \$'000

TABLE 1B - NON-DEBT CAPITAL EXPENDITURE

HEADS	Revised Estimates 2024/2025	Approved Estimates 2025/2026	Revised Estimates 2025/2026	Provisional Expenditure 2025/2026 Apr-Dec	Estimates of Expenditure 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030
Office of the Prime Minister	4,735,167	4,574,003	4,628,875	2,109,767	4,287,419	1,730,123	417,343	75,316
Ministry of Economic Growth and Infrastructure Development	30,898,210	30,552,096	27,219,796	18,385,270	21,885,706	18,358,320	16,710,864	12,489,165
Ministry of Finance and Public Service	1,848,949	2,643,535	754,852	414,515	37,902,996	24,391,238	46,147,493	60,571,059
Ministry of Water, Environment and Climate Change	-	-	285,000	2,534	11,223,000	11,489,459	4,033,674	1,285,087
Ministry of National Security and Peace	3,672,537	1,836,580	1,914,840	1,265,338	2,670,775	3,302,000	3,500,000	3,600,000
Ministry of Justice and Constitutional Affairs	128,250	195,681	195,681	27,210	164,000	245,700	-	-
Ministry of Labour and Social Security	62,239	135,000	135,000	62,257	300,932	867,000	921,000	976,000
Ministry of Education, Skills, Youth and Information	1,571,515	4,243,236	2,515,551	748,838	3,407,760	3,733,498	2,652,398	541,681
Ministry of Health and Wellness	6,929,586	10,182,696	10,182,696	4,063,395	13,825,370	12,448,097	8,640,269	4,884,500
Ministry of Agriculture and Fisheries and Mining	4,245,208	3,720,116	3,748,116	1,453,276	3,130,402	5,115,993	7,230,786	8,952,173
Ministry of Industry, Investment and Commerce	315,962	-	-	-	-	-	-	-
Ministry of Transport and Mining	-	-	-	-	-	-	-	-
Ministry of Science, Energy, Telecommunications and Transport	4,892,756	4,512,617	3,901,745	2,631,376	942,000	90,000	-	-
Ministry of Local Government and Community Development	2,435,870	-	-	-	-	-	-	-
TOTAL CAPITAL	61,736,249	62,595,560	55,482,152	31,163,776	99,740,360	81,771,428	90,253,827	93,374,981

APPENDIX 1

MEDIUM TERM EXPENDITURE PROFILE \$'000

TABLE 1C
NON-DEBT – ECONOMIC CLASSIFICATION OF EXPENDITURE (RECURRENT)

Object Classification	Revised Estimates 2024/2025	Approved Estimates 2025/2026	Revised Estimates 2025/2026	Estimates of Expenditure 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030
Compensation of Employees	453,871,328	495,799,373	522,004,641	555,245,869	590,809,435	624,203,173	664,631,020
Recurrent Programmes (of which:)	370,698,129	361,375,283	470,679,637	408,249,236	434,397,650	458,950,679	488,675,597
Travel Expenses and Subsistence	13,423,992	14,563,579	15,506,772	16,147,156	16,186,926	16,369,117	16,576,279
Rental of Property and Machinery	9,664,068	11,916,079	13,551,525	14,208,543	14,957,893	15,882,059	16,849,225
Utilities and Communication Services	18,656,059	19,851,823	22,604,262	22,434,003	23,741,803	24,821,571	25,949,450
Use of Goods and Services	104,666,878	127,110,086	155,227,424	141,932,518	147,565,702	154,402,135	162,020,012
Grants, Contributions and Subsidies	132,178,469	88,062,967	118,108,572	100,526,385	100,394,483	102,007,237	103,770,494
Retirement Benefits	46,392,905	47,050,627	48,850,627	51,261,701	53,791,108	56,441,513	59,223,839
Awards and Social Assistance	29,018,632	29,896,206	40,643,646	28,830,811	28,942,918	28,965,111	28,973,333
Others (Fixed Assets, Land Purchase, etc.)	16,697,126	20,923,916	30,006,809	32,908,119	48,816,817	60,061,936	75,312,965
Below the Line		2,000,000	26,180,000	-	-	-	-
TOTAL RECURRENT	824,569,457	857,174,656	992,684,278	963,495,105	1,025,207,085	1,083,153,852	1,153,306,617

APPENDIX 1

MEDIUM TERM EXPENDITURE PROFILE \$'000

TABLE 1D - NON-DEBT – ECONOMIC CLASSIFICATION OF EXPENDITURE (CAPITAL)

Object Classification	Revised Estimates 2024/2025	Approved Estimates 2025/2026	Revised Estimates 2025/2026	Estimates of Expenditure 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030
Compensation of Employees	510,522	313,988	387,309	318,738	126,035	92,567	91,313
Travel Expenses and Subsistence	31,293	20,860.00	24,295.00	24,100.00	27,060.00	27,060.00	10,060.00
Rental Property and Machinery	58,958	29,755	40,575	122,459	137,602	139,944	124,208
Utilities and Communication Services	47,036	21,954	22,204	74,155	74,526	78,396	68,829
Use of Goods and Services	10,105,416	10,753,092	9,008,671	43,791,911	29,774,161	51,504,679	63,373,089
Grants, Contributions and Subsidies	611,873.00	1,104,329	580,442	651,341	-	-	-
Awards and Social Assistance	3,200	-	-	-	-	-	-
Land	1,555,040.00	1,911,050.00	1,982,406.0	1,251,800.0	2,034,075.0	1,362,007.0	596,077.0
Fixed Assets (Capital Goods)	47,233,184	48,064,419	43,436,250	53,505,856	49,597,969	37,049,174	29,111,405
Loans	1,579,727	376,113	-	-	-	-	-
TOTAL CAPITAL	61,736,249	62,595,560	55,482,152	99,740,360	81,771,428	90,253,827	93,374,981

APPENDIX 1

MEDIUM TERM EXPENDITURE PROFILE \$'000

TABLE 1E - FUNCTIONAL CLASSIFICATION OF EXPENDITURE

FUNCTIONAL CLASSIFICATION	Provisional Estimates 2024/2025	Approved Estimates 2025/2026	Revised Estimates 2025/2026	Estimates of Expenditure 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030
1 General Public Services							
1 Executive and Legislative Services	9,885,919	11,698,360	10,909,836	9,810,542	7,524,430	7,732,489	7,959,665
2 Economic and Fiscal Policies Management	45,660,392	84,307,640	83,458,133	121,899,274	173,271,428	217,060,843	272,570,333
3 Personnel Management	10,419,627	10,386,173	10,742,701	10,845,634	10,891,133	10,937,934	10,987,154
4 Foreign Affairs	6,696,838	7,355,278	7,514,572	8,682,812	9,087,636	9,539,390	10,044,422
5 Economic Planning and Statistical Services	5,753,982	4,451,324	4,655,435	5,710,115	5,588,351	5,732,074	5,930,967
6 Public Works	1,120,641	791,887	983,913	783,627	783,771	783,923	784,082
7 Public Debt Management Services, Internal Debt	246,205,988	123,705,201	138,521,505	145,403,084	196,889,694	255,298,604	151,728,229
8 Public Debt Management Services, External	253,511,290	216,573,561	204,549,000	233,142,805	259,809,513	271,201,858	165,060,397
99 Other General Public Services	73,206,751	84,501,635	90,796,319	113,892,704	102,104,435	126,886,227	144,707,390
Total General Public Services	652,461,428	543,771,059	552,131,414	650,170,597	765,950,391	905,173,342	769,772,639
2 Defence Affairs and Services							
1 Military Defence	45,206,573	45,416,980	51,421,025	52,563,057	53,299,922	53,836,297	54,637,048
Total Defence Affairs and Services	45,206,573	45,416,980	51,421,025	52,563,057	53,299,922	53,836,297	54,637,048
3 Public Order and Safety							
1 Police Services	103,664,846	96,991,480	107,795,593	110,211,537	112,175,611	113,777,828	115,355,745
3 Law Courts	17,297,809	20,293,075	21,388,246	21,973,820	21,935,561	22,088,613	22,518,194
4 Correctional Services	13,609,218	14,293,718	17,788,661	16,372,911	16,665,706	16,973,882	17,298,264
Total Public Order and Safety	134,571,873	131,578,273	146,962,500	148,558,268	150,776,878	152,840,321	155,172,203
4 Economic Affairs							
1 Industry and Commerce	10,305,148	9,207,773	8,844,121	9,468,563	8,505,472	8,753,663	9,026,896
2 Labour Relations and Employment Services	3,484,658	3,633,544	3,648,166	3,653,443	3,744,444	3,845,531	3,958,067
3 Agriculture, Forestry and Fishing	24,660,288	23,614,338	27,901,500	24,087,226	26,761,654	29,296,280	31,463,505
4 Fuel and Energy	1,561,901	3,201,871	3,192,331	1,853,144	990,220	926,481	954,047
5 Mining, Manufacturing and Construction	431,288	433,017	446,250	447,477	455,830	464,603	472,110
6 Road Construction and Repairs	45,291,014	37,709,484	43,258,055	27,596,588	26,726,574	25,846,578	22,291,934
7 Road Transport	16,031,869	15,253,317	16,115,066	12,179,669	12,163,708	12,149,049	12,104,173
8 Rail Transport	239,110	251,066	6,066	6,200	6,400	6,800	6,800
9 Shipping, Ports and Lighthouses	457,131	457,131	474,967	474,967	477,693	480,555	483,560
10 Civil Aviation	7,714,274	8,489,901	8,405,256	8,360,619	8,478,142	8,617,796	8,764,428
11 Postal Services	4,066,653	4,309,921	4,507,938	4,548,124	4,611,120	4,677,266	4,746,720
12 Telecommunication Services	5,514,482	6,146,940	5,349,774	5,159,799	6,378,300	6,137,944	5,967,786
13 Tourism	15,849,996	16,178,141	19,697,773	16,941,361	17,672,999	18,420,066	19,252,037
14 Physical Planning and Development	918,182	1,431,825	1,428,640	2,825,717	2,145,635	1,825,738	1,799,444
15 Scientific and Technological Services	1,513,247	1,508,616	1,565,811	1,510,463	1,531,904	1,549,629	1,573,111
99 Other Economic Affairs	44,737	9,090	12,590	9,500	9,527	9,554	9,582
Total Economic Affairs	138,083,978	131,835,975	144,854,304	119,122,860	120,689,622	123,007,231	122,874,200
5 Environmental Protection and							
1 Solid Waste Management	7,848,813	3,544,811	8,004,087	6,863,074	6,945,722	7,012,350	7,091,277
3 Pollution Abatement	35,699	34,559	34,656	28,656	29,515	30,417	31,364
4 Protection of Biodiversity and Landscape	3,058,724	4,497,817	4,674,360	2,631,711	1,945,492	1,994,472	1,881,502
99 Other Environmental Protection and	567,417	483,702	535,852	149,957			
Total Environmental Protection and	11,510,653	8,560,889	13,248,955	9,673,398	8,920,729	9,037,239	9,004,143
6 Housing and Community Amenities							
1 Housing Development	1,138,049	1,522,171	1,500,431	1,664,493	1,712,885	1,764,081	1,818,277
2 Community Development	16,041,041	14,139,699	21,678,300	15,037,431	15,045,692	15,078,129	15,115,332
3 Water Supply Services	1,482,430	1,770,918	1,873,212	12,487,725	12,788,592	5,369,054	2,658,652
Total Housing and Community Amenities	18,661,520	17,432,788	25,051,943	29,189,649	29,547,169	22,211,264	19,592,261
7 Health Affairs and Services							
1 Health Administration	22,286,656	27,687,091	33,438,004	36,250,736	35,447,962	32,290,616	29,246,922
4 Hospital Services	11,451,715	12,563,771	17,263,779	14,088,678	14,793,112	15,532,768	16,309,406
5 Public Health Services	122,504,681	125,574,794	153,031,982	150,878,462	152,558,823	154,341,738	156,218,879

APPENDIX 1

MEDIUM TERM EXPENDITURE PROFILE \$'000

TABLE 1E - FUNCTIONAL CLASSIFICATION OF EXPENDITURE (cont'd)

FUNCTIONAL CLASSIFICATION	Provisional Estimates 2024/2025	Approved Estimates 2025/2026	Revised Estimates 2025/2026	Estimates of Expenditure 2026/2027	Projected 2027/2028	Projected 2028/2029	Projected 2029/2030
8 Recreation, Culture and Religion							
1 Recreational and Sporting Services	1,023,124	996,477	1,069,718	1,110,858	1,100,948	1,114,388	1,114,488
2 Art and Cultural Services	3,094,594	3,022,356	3,097,085	3,144,950	3,245,774	3,297,382	3,337,967
3 Broadcasting and Publishing Services	2,179,514	2,225,292	2,399,418	2,343,058	2,380,477	2,409,463	2,440,129
5 Youth Development Services	319,575	267,509	327,002	314,515	322,410	330,701	339,307
Total Recreation, Culture and Religion	6,616,807	6,511,634	6,893,223	6,913,381	7,049,609	7,151,934	7,231,891
9 Education Affairs and Services							
1 Education Administration	20,065,744	14,999,087	19,748,243	15,647,465	15,831,169	16,034,129	16,247,240
2 Pre-Primary Education	7,648,850	7,356,735	7,773,947	8,533,533	8,646,575	8,727,720	8,717,164
3 Primary Education	54,329,655	52,622,463	58,722,518	55,804,986	55,913,241	56,026,909	56,146,261
4 Secondary Education	61,603,334	58,740,202	62,550,627	62,772,320	62,984,195	61,939,886	59,867,799
5 Tertiary Education	34,897,994	30,705,454	40,177,139	34,251,021	33,196,804	33,228,533	33,363,466
6 Education Not Definable by Level	2,143,393	2,296,065	2,440,979	2,617,732	2,622,407	2,627,316	2,632,470
7 Subsidiary Services to Education	13,872,249	13,493,454	14,635,526	15,212,283	15,347,616	15,487,719	15,635,421
Total Education Affairs and Services	194,561,219	180,213,460	206,048,979	194,839,340	194,542,007	194,072,212	192,609,821
10 Social Security and Welfare Services							
1 Sickness and Disabled	496,067	537,453	1,663,520	655,854	667,361	679,445	692,132
2 Senior Citizens	1,156,219	1,159,958	1,169,050	1,695,560	1,700,611	1,705,916	1,711,487
3 Survivors Assistance	2,072,444	1,752,339	11,724,572	909,230	636,023	636,373	636,738
4 Family and Children	5,134,443	5,197,157	5,429,905	5,413,350	5,477,173	5,545,956	5,620,212
99 Other Social Security and Welfare Services	19,246,708	20,255,357	20,903,780	20,858,934	21,620,328	21,845,489	22,140,242
Total Social Security and Welfare Services	28,105,881	28,902,264	40,890,827	29,532,928	30,101,496	30,413,179	30,800,811
Total	1,386,022,984	1,260,048,978	1,391,236,935	1,441,781,354	1,563,677,720	1,699,908,141	1,563,470,224

APPENDIX II

Developments in the Financial Sector

Introduction

During FY 2025/26, the MOFPS continued to pursue key reforms to strengthen the legislative and regulatory framework of the financial sector. Several pieces of legislation are at an advanced stage of the drafting process, some of which are expected to be tabled by end-FY 2026/27.

Additionally, the continued scaling back of operations at the Financial Sector Adjustment Company (FINSAC) Limited and Financial Institutions Services (FIS) Limited was complemented by the ongoing work of the Financial Investigations Division (FID) in deterring money laundering and other financial crimes, thereby reinforcing financial sector stability.

Financial Regulations Division (FRD)

The status of key legislative reforms is as follows:

1) Private Sector Pensions Reform

The Pensions (Superannuation Funds and Retirement Schemes) (Repeal and Replacement) Bill and the Income Tax (Amendment) Bill are at an advanced stage in the drafting process. The second phase of private sector pension reform seeks to ensure that there is adequate level of pension benefits, foster security of benefits for participants and ensure an effectively regulated industry.

2) Payment Clearing Settlement (Amendment) Bill

The Bill continued through the iterative process, with receipt of the revised Bill from the Office of the Chief Parliamentary Counsel (OPC) on January 7, 2026. It was subsequently forwarded to the Bank of Jamaica (BOJ) for review and comments. The Bill seeks to enhance the legal and regulatory framework for payment service providers (PSPs).

3) Bank of Jamaica (Amendment) Bill (1)

The issue of further drafting instructions is awaiting legal advice from the AGC. The Bill seeks to amend the Bank of Jamaica Act to strengthen the statutory oversight of money or value transfer services (MVTs) and cambios.

4) Bank of Jamaica (Amendment) Bill (2)

The Bill continued through the iterative process, with further drafting instructions to the OPC to revise the Bill on November 11, 2025. The Bill seeks to amend the Bank of Jamaica Act to address the eligibility criteria for appointments.

5) *Insurance (Amendment) Bill*

The MOFPS is awaiting the comments of the FSC on the revised draft of the Bill as well as accompanying Notices. The Bill seeks to, among other things, amend the Insurance legislation to facilitate the creation of a microinsurance legislative framework.

6) *Virtual Asset Service Providers Bill*

The Bill continued through the iterative process, with the receipt of the revised Bill from the OPC on January 19, 2026. The Bill was forwarded to key stakeholders for review and comments on the same day.

7) *Credit Unions (Special Provisions) Bill*

Considering the appointment of a new administration in September 2025 and the requirement to obtain Cabinet approval for any policy revisions, a Cabinet Submission is currently being prepared to seek approval of the policy.

8) *Twin Peaks Model of Financial Regulation*

The draft Cabinet Submission is being revised for re-submission to government stakeholders for non-objection prior to submission to the Cabinet for approval. 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.

Financial Sector Adjustment Company (FINSAC) Ltd and Financial Institutions Services (FIS) Ltd

The achievements of FINSAC/FIS during the review period are as follows:

- 1) The audited financial statements of both companies for the year ended March 31, 2025, were completed and submitted to the MOFPS on July 10, 2025.

Financial Sector Adjustment Company:

- 2) Among the outstanding litigation matters:

a) *Matter No. 1*

A former customer of a bank acquired by FINSAC in its intervention in the financial sector was successful in his claim to the wrongful withdrawal of funds from his foreign currency accounts. The matter progressed through the local courts to the Privy Council, which ruled that the sums withdrawn should be refunded with interest and that the bank should pay 50 per cent of the claimant’s Privy Council costs. This matter has since been settled.

b) *Matter No. 2*

This matter concerns a claim brought by FINSAC for breach of fiduciary duty against a former executive of an intervened institution. The rehearing of the appeal, scheduled for September 22, 2025 did not proceed as neither party filed the requisite documents.

A settlement proposal submitted by the appellant was granted Cabinet approval, however, implementation is contingent on further Cabinet deliberation regarding a variation to the original approval. Resolution is anticipated before the end of the fiscal year.

- 3) In relation to Jamaica Mutual Life Assurance Society/Jamaica Mutual Properties pension schemes, unclaimed balances for more than 250 beneficiaries were transferred to the Accountant General's Department (AGD) in August 2024 and March 2025. A nominal amount representing the final transfer for in excess of 80 beneficiaries was completed in September 2025. Nine beneficiaries have since submitted claims which were/are being processed by the AGD.

Financial Institutions Services Limited:

- 4) Among the matters to be concluded to facilitate an application to the Companies Office of Jamaica to delist the company is:
 - a) Jamaica Grande Limited (JGL) for which FIS is the majority shareholder. A Trustee was appointed to pursue its liquidation. The matter is now before the Tax Administration Jamaica for final assessment of payable tax/stamp duty. The Trustee anticipates that the surplus funds in JGL will be distributed within the final quarter of this fiscal year.

Financial Investigations Division

During the review period, the FID continued to strengthen Jamaica's Anti-Money Laundering/Combating the Financing of Terrorism/Counter Proliferation Financing (AML/CFT/CPF) framework, investigate complex financial crimes, and advance asset recovery. The following are the achievements of the FID:

- 1) ***Transaction Reports:*** The upgraded goAML platform supported online filing by reporting entities, with registrations nearing 1,500 and approximately 69,000 disclosures processed as of July 2025.
- 2) ***Operational Activities:*** Cash-seizure and confiscation activities included \$0.2 billion in cash seized, and \$7.5 million transferred from cash seizures and confiscation receipts to the Consolidated Fund as of August 31, 2025.
- 3) ***Asset recovery:*** The civil recovery target was exceeded, with 11 matters before the Court as at December 31, 2025 (with four additional matters expected by March 31, 2026), as well as court-ordered confiscations exceeding J\$33.0 million and US\$35,000. The Asset Recovery Branch achieved its first successful prosecution for breach of a Pecuniary Penalty Order; and completed and advanced disposal actions including sales of forfeited assets.
- 4) ***Enforcement:*** In 2025, the FID laid its first charge under the Securities Act as part of the SSL investigations.

- 5) **Public education:** In accordance with its mandate to bring awareness to financial crimes, the FID intensified public education through #MoneyMule, the “FID In Action” radio feature, the “FID Follow the Money” podcast, and call to action time signals on Zip and Irie FM, in conjunction with the Major Organised Crime & Anti-Corruption Agency (MOCA) and the Jamaica Constabulary Force (JCF). These initiatives are alongside traditional and social media engagement.
- 6) **Institutional strengthening:** Three sets of financial statements were finalised for submission to the Auditor General’s Department. In addition, the FID, working with other Law Enforcement Agencies (LEA), and the University of the West Indies, were able to establish and start the first regional certification, at the university level, in Financial Crimes Investigation. The FID, in conjunction with the United Kingdom’s Serious Organized Crime and Anti-Corruption Programme (SOCAP), also continued the training of FID staff and the wider LEA community.

Proposed Areas of Focus for FY 2026/27

Financial Regulations Division

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

Financial Sector Adjustment Company / Financial Institutions Services Limited

- 1) The staff will continue to manage the legacy operations with particular focus on:-
 - a) **For FINSAC:**
 - Preparation of audited accounts for year ending March 31, 2026;
 - Liaising with attorneys on outstanding litigation matters with a view to settlement or conclusion in the shortest possible time; and
 - Pursuing outstanding activities with a view to conclude matters relating to remaining companies by end-December 2026.

b) For FIS:

- Preparation of audited accounts for year ending March 31, 2026;
- Effecting sale or transfer to the Commissioner of Lands of the two unsold Century properties; and
- Following up with Trustee to distribute the surplus to shareholders of Jamaica Grande Limited.

Financial Investigations Division

The FID will intensify the fight against financial crime while consolidating its transition to greater operational autonomy as a department. Key priorities include:

- 1) ***Technology and ICT resilience:*** upgrade server infrastructure; reduce exposure to cyber threats and data breaches through improved monitoring and controls; improve connectivity between the main campus and the offsite backup facility.
- 2) ***Asset recovery outcomes:*** enforce court orders—especially Pecuniary Penalty Orders; continue disposal of forfeited/recovered assets; pursue strategic donation of suitable vehicles and real property to law enforcement; and continue capacity building aligned to Mutual Evaluation preparedness.
- 3) ***Legal effectiveness and expanded litigation:*** manage sixteen post-conviction forfeiture matters valued at approximately \$94.8 million and US\$1.5 million; strengthen case management and coordination with investigative partners; expand institutional collaboration through research and MOUs; and increase criminal prosecution capacity under fiat from the Office of the Director of Public Prosecutions.
- 4) ***Public education:*** increase digital output; introduce a fortnightly newspaper column; redesign the FID website to be more functional and user-friendly; and continue coordinated public-reporting messages with partner agencies.
- 5) ***Governance and accountability:*** improve timeliness of statutory and management reporting.
- 6) ***Operational autonomy:*** strengthen operational measures required to cement the FID's Department status, supporting stronger enforcement across the financial system.

APPENDIX III

STRATEGIC HUMAN RESOURCE MANAGEMENT

HR POLICY AND INFORMATION MANAGEMENT

During FY 2025/26 the programme focused on, inter alia:

- Providing technical support for the review of the Public Service Regulations.
- Providing technical support for the implementation of Flexible Work Arrangements (FWA)
- Supporting public entities by providing them with policy advice and assistance in the preparation of Human Resource (HR) manuals and related policies -

PRIORITY AREAS FOR FY 2026/27

- Supporting the development of national human resource policies as required;
- Supporting public entities by providing policy advice and assistance in the preparation of HR manuals and related policies;
- Providing technical support to the Public Sector Transformation Programme by preparing and coordinating with stakeholders for the implementation of FWA.

HUMAN CAPITAL DEVELOPMENT

MARCUS GARVEY PUBLIC SECTOR SCHOLARSHIP PROGRAMME

The Marcus Garvey Public Sector Graduate Scholarship Programme is a core pillar of the Government of Jamaica's Human Capital Development strategy and supports the strengthening of institutional capacity across the public sector. The Programme was established to develop a pipeline of highly skilled public officers equipped to support national policy priorities, public sector reform, and sustainable development.

Through targeted investment in advanced education, the Programme enhances the technical, leadership, and policy capabilities of public sector employees in strategic priority areas critical to national development. Upon the completion of the initial phase of the project in 2025, a total of eighty-nine (89) scholarships had been awarded, which are expected to contribute to improved workforce capability and succession readiness across the public sector.

GOJ STEM PROGRAMME

In 2023, the Government of Jamaica launched a five-year STEM Scholarship Programme to address skills shortages in education and high-growth technical sectors. The Programme is tenable at The Mico University College and the University of Technology, Jamaica (UTECH). The Mico component is expected to produce 1,250 STEM educators over five cohorts, while the UTECH component aims to deliver 1,000 STEM graduates to strengthen tertiary-level technical and innovation capacity.

As at January 2026, a total of 1,173 students were enrolled under the Programme. Both components include service obligation arrangements to ensure graduates contribute to Jamaica's national development priorities.

STRATEGIC WORKFORCE PLANNING

To strengthen institutional capacity within the public sector HR function, targeted training programmes in Workforce Planning and HR Data Analytics have been developed following consultations with selected MDAs. The programmes are intended to address capacity gaps, enhance analytical and planning capabilities, and support evidence-based workforce decision-making, with implementation scheduled for Quarter 4 of FY 2025/26.

PRIORITY AREAS FOR FY 2026/27

In support of public sector modernization, transformation, and improved service delivery, the Strategic Workforce Planning & Improvement Branch (SWPIB) will focus on the following priority areas during FY 2026/27:

- Development and implementation of structured training and capacity-building programmes to strengthen workforce planning, HR analytics, and evidence-based human resource management across selected MDAs;
- Direct support of the implementation of the Public Sector Learning Framework (PSLF) and the broader Public Sector Learning and Development (PSLD) Policy agenda.

These interventions will ensure that investments in human capital development are strategically aligned with public sector reform priorities and national development goals.

ESTABLISHMENT, COMPENSATION AND BENEFITS

Collective Bargaining

During FY 2025/26, the Government commenced negotiations with selected Trade Unions and Staff Associations for the 2026/27 contract period, following the implementation of the Public Sector Compensation Restructure. As part of its proposal, the Government offered wage increases covering the period 2025/26 – 2028/29.

To date, the Ministry has received claims from 22 of the 34 bargaining units represented by Trade Unions and Staff Associations, seeking improvements in wages, salaries, and fringe benefits. Submissions have been received from major groups including the Jamaica Confederation of Trade Unions, Jamaica Police Federation, Jamaica Civil Service Association, Jamaica Teachers' Association, and health sector unions.

INDUSTRIAL HARMONY

Industrial harmony was maintained at 95.0 percent during the review period, in line with projections, and is expected to be sustained in FY 2026/27. Continued stakeholder engagement remains critical to preserving public sector harmony. Accordingly, the Industrial Relations Unit (IRU) engaged MDAs on the implementation of the Extra Hours Worked and Uniform Policies introduced in August 2024.

PRIORITY AREAS FOR FY 2026/27

- Conclude the negotiations with key Trade Unions/Staff Associations by March 31, 2027
- Review Grievance Policy for the Public Sector by March 31, 2027.
- Continue engagement of all stakeholders to maintain industrial harmony across the public sector.

EMPLOYEE WELFARE MANAGEMENT

Achievements for 2025/26:

Maximized benefits to public sector workers and value for money for the Government through ongoing consultation with relevant stakeholders.

- 4 new entities enrolled on the Government Employees Administrative Services Only (GEASO) Health Plan
- A new Government Pensioners Administrative Services Only (GPASO) contract was signed on November 26, 2025.
- A new Senior Government Executive (SGE) contract was finalized on August 12, 2025.

Public Sector Employee Assistance Programme

- 118 referrals were received, and 715 sessions were scheduled (with a 83.0 percent attendance rate) for individual counselling.
- 32 Group/ Presentation/ Sensitisation sessions were conducted.
- 15 active Public Sector Employees Assistance Programme (PSEAP) volunteers engaged to support the MOFPS' team.

Occupational Safety and Health (OSH)

During FY 2025/26, one hundred and eleven (111) OSH interventions were provided (via meetings/consultations, presentations, workplace assessments, documentary reviews, and request responses provided)

Programme Priority Areas for FY 2026/27:

- The PSEAP will continue to provide mental wellness support services for Public Sector workers with the expansion of physical infrastructure through the addition of a dedicated counselling space.
- OSH workplace assessments, awareness sessions, and technical support will be provided to Government entities and stakeholders to promote business continuity and mitigate occupational safety and health risks and liabilities. These efforts will be strengthened through the strategic rollout of the GOJ's draft OSH Policy, once approved.
- Development and implementation of a Public Sector Leave Administration Manual to standardise and improve leave governance, with a draft in view.

CORPORATE MANAGEMENT & ESTABLISHMENT

While continuing to execute its core mandate to provide technical advice and organisational design expertise in support of the on-going Public Sector Transformation Programme, including the standardisation of organisational review methodologies, digitisation of workflows, modernisation of business process management frameworks, and optimisation of internal and

external operating systems, the Corporate Management & Establishment Branch (CMEB) recognises the growing importance of institutional resilience as a central pillar of effective public sector governance.

The following are the priority areas and achievements:

1. *Achievements for 2025/26:*

- a. Strengthened resilience and adaptive capacity in established organisational arrangements of the Government of Jamaica (GOJ). This includes:
 - Review of the Office of Disaster Preparedness and Emergency Management (ODPEM).
 - Review of Ministry of Local Government and Community Development (MLGCD) including expansion of their Disaster Risk Management co-ordination capacity.
 - Establishment of Enterprise Risk Management (ERM) model structure in the relevant Ministries, Department, Agencies.
- b. Supported GOJ's national priorities and strategic objectives by providing organisational structures and staffing capacity to give effect to the September 17, 2025 Assignment of Subjects and Departments, Agencies and other Public Bodies consequent to the 2025 General Elections., including:
 - Ministry of Water, Environment and Climate Change (MWECC),
 - Ministry of Economic Growth and Infrastructure Development (MEGID)
 - Ministry of Foreign Affairs and Foreign Trade (MFAFT)

2. Status of legislative priorities for 2025/26:

The Civil Service Establishment (General) Order, 2026, has been drafted and is en route to the Houses of Parliament for passage and gazetting.

3. Strategic Priorities for 2026/27:

- a. Strengthening resilience and adaptive capacity in established organisational arrangements of the Government of Jamaica (GOJ). This includes:
 - Implementation of ODPEM organisational review recommendations.
 - Reviewing a sample of ERM operations to determine their effectiveness in responding to identified and unidentified risks with appropriate mitigation strategies.
- b. Supporting the GOJ's national priorities and strategic objectives by providing organisational structures and staffing capacity to give effect to the September 17,

2025 Assignment of Subjects and Departments, Agencies and other Public Bodies consequent to 2025 General Elections, including:

- Office of the Prime Minister (OPM)
 - Ministry of National Security and Peace (MNSP)
 - Ministry of Energy, Transport and Telecommunications (METT)
 - Ministry of Justice and Constitutional Affairs (MJCA)
 - Publication of a Civil Service Establishment (General) (Amendment) Order containing all new ministries.
- c. Strengthening the CMEB's monitoring and compliance, establishment management, research and innovation, and organisational standards framework by:
- Expanding the Post Audit Programme to include systematic verification of current, validated job descriptions across all established posts within MDAs, and formalizing the treatment of documentation gaps as post-audit queries to strengthen accountability and record-keeping.
 - Laying the foundation for future monitoring of organizational and business process frameworks through the progressive standardization of SOPs and core service documentation to enhance service quality, reduce duplication, eliminate inefficiencies, and strengthen institutional performance management.
 - Advancing policy positions on technology integration and its implications for job, structural, and process design, while strengthening governance of organizational review expenditures and oversight of engagements with private organizational development consultants to ensure value for money and alignment with Government priorities.

Through these initiatives, the CMEB leverages its technical expertise to strengthen institutional performance, enhance governance of organizational and staffing arrangements, and support efficient public service delivery, contributing to service excellence, fiscal discipline, and Jamaica's national development objectives.

PENSION ADMINISTRATION

Transfer of Pension Function from the Ministry of Local Government and Community Development (MLGCD) to the Ministry of Finance and the Public Service

As part of ongoing pension reform efforts, the pension administration function at the MLGCD was transferred to the Pensions Branch at the MOFPS on January 2, 2026. Consequently, the Ministry now oversees the processing of retirement and death benefits for Municipal Corporation

employees and their dependents, while the Accountant General's Department assumed responsibility for pension payments for employees retiring on or after that date.

Pension Administration Training Programme

During FY 2025/26, 125 Human Resource Practitioners from Ministries, Departments, Executive Agencies, Municipal Corporations, and Statutory Bodies were awarded certifications under the Pension Administration Training Programme, delivered in collaboration with the University of the West Indies Global Campus, to strengthen capacity and improve efficiency in pension processing.

Modernization of the Public Employees' Pension Administration System (PEPAS)

During FY 2025/26 work began for the development of an upgraded pension administration system to establish a modern, secure and fully integrated pension administration environment that delivers efficient, transparent, and user focused services to public sector employees, retirees and their dependents.

This transformation is intended to position the Government of Jamaica's pension administration as a model of service excellence, supporting long term financial sustainability and building public trust.

PRIORITY AREAS FOR FY 2026/27

- Development of an upgraded and modernized Public Employees' Pension Administration System (PEPAS).
- Re-engineering the Pension Administration process to reduce the processing time of benefits.

APPENDIX IV
TAX PROGRAMME
TAX ADMINISTRATION JAMAICA (TAJ)

For FY 2025/26, TAJ's strategic priorities, planned programmes, and projects are being executed under the following programmes:

- Domestic Tax Administration - focused on strengthening its compliance programmes to improve the performance of domestic tax revenues.
- Executive Direction and Administration - provided the necessary support in keeping with its mandate, through agile business transformation and customer satisfaction initiatives.

Taxpayers' voluntary compliance remains a priority for the Authority, with programmes aimed at increasing the taxpayer population, improving on-time filing and payment, and accurate reporting while supporting taxpayer education, and maintaining quality service delivery standards.

Maximizing efficiency and effectiveness are also imperative to the work of the Authority. As a result, the TAJ continues to emphasize the modernization of relevant processes, functions and systems. This involves technology upgrades and improvements, re-engineering and streamlining key processes, and establishing partnerships to enhance taxpayer service and experience.

Performance FY 2025/26: April-December 2025

Collections

For the period April to December 2025, net collections amounted to \$414.1 billion, representing 101.2 percent of the period's Third Supplementary target of \$409.0 billion, and an increase of \$32.3 billion or 8.5 percent above the corresponding period in FY 2024/25.

Compliance

Taxpayer compliance is monitored across the four arms of compliance, namely: registration, filing, payment and correct reporting. Compliance risk programmes are developed and implemented annually, to address risk-based compliance leads identified. The results of the activities from these programmes at end-December 2025 are reported below.

- Taxpayer registration: The taxpayer registration population moved from 357,827 (end-FY 2024/25) to 362,879, as at quarter 3 FY 2025/26, representing an increase of 1.4 percent.
- On-time-filing rate: The on-time filing rate was 47.8 percent, indicating a decline of 11.4 percent compared to the same period last year (59.2 percent). This was largely due to disruptions caused by Hurricane Melissa that affected small and micro taxpayers, resulting in significantly lower filing compliance as many were unable to meet their obligations on time.

- On-time payment rate: This examines the proportion of the tax liability that is paid on-time. The on-time payment rate for the period was 96.1 percent, which surpassed the target but was 0.9 percent lower when compared to last fiscal year (97.0 percent).
- Stock of arrears: At end-December 2025, the combined stock of arrears declined from \$252.4 billion (end-FY 2024/25) to \$248.8 billion.
- Audit coverage: At end-December 2025, with a targeted audit coverage of 7.0 percent and 4.0 percent for large taxpayers and medium taxpayers respectively, there was a 1.8 percent coverage for large taxpayers and 1.9 percent coverage for medium taxpayers.

Products and Service Enhancements

As at December 2025, TAJ continued work on initiatives to expand its products and services and enhance service delivery to taxpayers. This includes:

- Construction of the new Christiana tax office that is now 96.0 percent completed and in post construction phase where installations and other related works are underway. The relocation of staff is scheduled for February 2026.
- Successfully completing the project approval process with the Public Investment Appraisal Branch (PIAB) and subsequently receiving Cabinet's approval for the upgrade of TAJ's Revenue Administration Information System (RAIS).
- Implemented electronic Motor Vehicle Registration Certificate (eMVRC), which allows online payment and generation of the MVRC digitally.
- Retained the ISO 9001 Quality Management certification after the successful completion of the annual external surveillance audit of TAJ's Quality Management System at the four (4) certified locations namely: St. Andrew Revenue Service Centre (RSC), Spanish Town RSC, May Pen RSC and Falmouth Tax Office. This reflects continued compliance with customer-centred quality management standards.

Structural Improvements

During FY 2025/26, TAJ pursued eight (8) medium-term infrastructure projects that were scheduled for phased implementation. At end-December 2025, the status of these projects is as follows:

- BNS King Street – Awaiting a Letter of Possession from the National Land Agency to facilitate approval of drawings by the Kingston and St. Andrew Municipal Corporation (KSAMC).
- Brown's Town – The geotechnical survey has been completed; the concept design has been approved, and construction drawings are currently being developed.
- Cross-Roads (Nuttall Property) – Development of the Concept Document has commenced.

- Montego Bay Revenue Service Centre –Proposal submitted to the Public Investment Appraisal Branch.
- Christiana Tax Office – Millwork is being finalized and remedial works are underway; staff relocation is scheduled for February 18–22, 2026.
- Morant Bay Urban Centre – Concept design approved; the Bill of Quantities is to be finalized, and the lease agreement is currently under review.
- Santa Cruz – Awaiting approval from the National Land Agency for assignment of the land.
- Portmore Tax Office – The process for land swapping is currently underway.

Additionally, seven (7) renovation or upgrading projects were identified for execution during the fiscal year. Two (2) are continuing as planned, while five (5) have been deferred to FY 2026/27.

Legal Framework

TAJ's legal services continue to provide support in advancing the Authority's strategic objectives, by guiding and providing legal opinions 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, which remains in progress over the medium term.

Legislative priorities for FY 2025/26 include:

- Review and update of the Income Tax Act - This was done to reduce ambiguity in interpretation, and to ensure Jamaica remains up to date with international standards. Some measures were incorporated into the FY 2025/26 Revenue Measures for which legislation is currently being prepared. Other components are currently the subject of a draft Cabinet Submission which is to be submitted for Ministerial approval.
- 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. The new Act was passed and took effect on July 21, 2025. The Large-Scale Projects (Tax Relief) (Application) Regulations were also passed on July 18, 2025.
- Review and update of the GCT Act & Excise Act - This is to ensure that Jamaica's consumption law is able to address new changes in the international landscape and also eliminate ambiguity when interpreting the law. The changes to the Excise Duty Act were approved by Cabinet in October 2025 and drafting instructions will be prepared and sent to the Office of the Parliamentary Counsel.
- Amendment to Income Tax Regulations for Country-By-Country Reporting (CBCR) – This is to increase transparency in multinational affairs, through the identification of risks to profit shifting and base erosion, so that the Authority may make determinations on how to allocate tax audit resources.

- Multilateral Instrument (MLI) - This aims to modernize international tax rules and reduce opportunities for tax avoidance by multinational enterprises.

Fiscal Year 2026/27 Outlook

For FY 2026/27, TAJ's strategic focus will target: human resources, the environment, access to services, responsiveness, and technological advancements. Key strategic initiatives include:

- Upgrade of the Revenue Administration Information System (RAiS) that is scheduled to commence March 2, 2026 and completed over a period of 12 months. This upgrade will involve modern technological improvements, enabling ease and user-friendliness of system interface and new functionalities to enable greater customer satisfaction through:
 - an e-Services Assistant Chat Bot
 - an integrated Client Relationship Management System
 - an appointment and queuing system, and
- Financial Data Exchange (FATCA & AEOI) system configuration, to enable the strengthened implementation of financial data exchange with foreign jurisdictions, among others.
- Re-engineering targeted business processes for digital transformation, namely areas of Revenue Accounts and ICT. Additionally, completing the development of TAJ's Learning Management System, HRMC Submission & Approval System and HR Recruitment Portal.
- Undertaking preliminary work at the new Christiana Tax Office in preparation for the implementation of TAJ's Quality Management System as well as ISO 9001 certification for the location.
- Continued improvement of TAJ's physical infrastructure to enhance the taxpayers and staff experience through:
 - renovating and upgrading tax offices; and
 - improving working conditions, and environment.
- Continued focus on improving voluntary tax compliance by enhancing key components of the tax system, across the continuum of taxpayer registration - filing, payment and accurate reporting. The TAJ will:
 - broaden tax compliance risk identification;
 - expand the tax compliance strategy to include critical sectors
 - strengthen the application & ease of understanding of domestic tax laws (i.e. with proactive taxpayer education & outreach), and
 - strengthen the promotion of voluntary compliance through research.

JAMAICA CUSTOMS AGENCY (JCA)

Introduction

The Jamaica Customs Agency (JCA) continues to maintain its position as a principal contributor to the Government's fiscal stability, accounting for, at minimum, thirty-five percent of national tax revenue annually. The JCA plays a critical role in national security and economic prosperity by ensuring the efficient and timely processing of passengers, and cargo. In doing so, the Agency protects Jamaica's borders, facilitates legitimate trade, optimizes revenue collection, and strengthens the nation's competitiveness in the global economy.

The JCA's overarching objectives are to:

1. Modernize customs administration to ensure sustainable contribution to economic development and Jamaica's Vision 2030 goals.
2. Enhance institutional governance, operational capacity, and policy implementation effectiveness to advance organizational performance and service delivery.

In advancing these objectives, the JCA will concentrate its efforts on the following strategic areas :

- Updating and modernizing legislation to strengthen border enforcement and trade facilitation.
- Executing medium-term revenue collection and arrears recovery projects,.
- Delivering cutting-edge Information and Communication Technology systems, including single window applications and expanded ASYCUDA functionalities, to strengthen digital integration.
- Fostering a culture of integrity, transparency, and operational excellence.
- Nurturing employee engagement, satisfaction, and professional development as the foundation of organizational success.
- Advancing infrastructure development, including modern and eco-friendly customs facilities, to support national logistics and border security.
- Reviewing and strengthening governance frameworks, risk management systems, and accountability mechanisms.

Operating Environment

Beyond the Customs Act, the JCA enforces more than 125 provisions of law on behalf of at least 20 other agencies. Through the enforcement of trade-related legislation, including the Anti-Dumping Act and the maintenance of customs records for copyrights, patents, and trademarks, the JCA safeguards Jamaica's industries, labour, and intellectual property rights.

This extensive mandate underscores the JCA's pivotal role in advancing the Vision 2030 Jamaica – National Development Plan and aligning its mandate with the Government's medium-term policy priorities of macroeconomic stability, fiscal sustainability, and social protection. Over the medium term, the JCA will consolidate and accelerate modernization efforts, fully embed the provisions of the World Trade Organization's Trade Facilitation Agreement (TFA), and continue harmonizing its operations with global best practices.

Achievements: April 2025 – December 2025

Revenue Collection

During the period April to December 2025, the JCA processed 5.0 billion kilograms of cargo for the domestic market, valued at \$929.4 billion, and facilitated the movement of 2.3 million air passengers. These activities generated total revenues of \$251.2 billion, comprising \$233.6 billion (93.0 percent) in tax revenues and \$17.6 billion (7.0 percent) in non-tax revenues. Additional revenue arising from Customs interventions amounted to \$4.7 billion, representing 2.0 per cent of the total revenue outturn for the year.

The JCA's strong revenue performance relative to target was adversely affected by Hurricane Melissa. As a result, total net revenue fell \$2.5 billion (1.0 percent) below the budgeted target of \$253.8 billion. Notwithstanding this outcome, year-on-year total revenue increased by \$7.2 billion (3.0 percent), rising from \$244.0 billion recorded for the period April to December 2024.

Merchandise trade revenue amounted to \$233.6 billion, reflecting an increase of \$7.0 billion (3.1 percent) over the \$226.6 billion recorded in the prior year. This outturn was \$0.7 billion (0.3 percent) above the budgeted target of \$232.0 billion. Increased importation of specific commodities generated higher revenues, particularly from durable consumer goods, building materials, food, beverages and spirits, machinery and equipment, rubber and articles thereof, as well as plastics and articles thereof.

Travel Tax, the other component of the JCA's revenue outturn, generated \$20.3 billion for the period. This outturn was \$1.0 billion (4.8 percent) below the budgeted target of \$21.3 billion and \$0.5 billion (2.5 percent) below the previous fiscal year-to-date outturn of \$20.8 billion.

While operational improvements were implemented to promote compliance, Travel Tax performance was significantly affected by the issuance of Travel Advisory Risk Level 3 –

Reconsider Travel to Jamaica. The Travel Tax under-performance was exacerbated by the passage of Hurricane Melissa, reflected by a 54.0 percent reduction in passenger arrival for November 2025. Underpinned by the strengthened resilience of Jamaica's tourism product, a swift and strong recovery is anticipated for Travel Tax, supported by a full-scale reopening of hotels, the promotion of businesses, cultural and entertainment activities. It is to be noted that in January 2026, the travel advisory level for Jamaica was decreased to Level 2 - Exercise Increased Caution.

Overall, the revenue performance remained solid year-on-year, reflected by the stronger than anticipated inflows from key import categories. The JCA continues to invest in technology, process advancement and human resources, to maximize revenue collection, improve operational efficiency and safeguard the borders. These efforts, bolstered by intelligence and risk management, aim to ensure that budgetary expectations as well as year-on-year growth are achieved, barring any significant weather, economic or geopolitical shocks.

Trade Facilitation

Processing Efficiency

The JCA maintained a strong declaration processing performance in FY 2025/26, consistently surpassing its 85.0 percent target by completing 89.9 percent of declarations within 20 hours year-to-date. The processing time of passengers at the green channel averaged 24 seconds; 6 seconds below the charter standard of 30 seconds. Similarly, passengers at the red channel were processed in an average time of 2 minutes and 36 seconds, 24 seconds below the charter standard of 3 minutes. The complaint resolution quota of 86.7 percent has also gotten closer to the 80.0 percent charter standard (above by 6.7 percentage points) for complaints received and resolved within 1 to 20 working days.

Stakeholder Engagement

The JCA's stakeholder engagement programme endeavors to foster transparency, strengthen partnerships, and enhance service delivery across the trade and border management ecosystem. Through consistent dialogue and collaborative initiatives, the JCA aims to ensure that all associates and the wider public are well-informed, actively supported, and meaningfully included in policy dialogue and operational improvements. These engagements are designed to promote voluntary compliance, build trust, and encourage shared responsibility in safeguarding national revenue and securing the border. By maintaining open communication channels and delivering targeted capacity-building sessions, consultations and outreach activities, the JCA not only improves stakeholder understanding and experience but also reinforces its mission of facilitating legitimate trade.

For the year-to-date period, the JCA executed 48 stakeholder engagements, representing 137.0 percent of the target (35) and 96.0 percent of the annualized target (50). This performance reflects a strong commitment to stakeholder communication and capacity building through a diverse outreach programme.

During the fiscal year, the JCA also delivered three workshops and formal presentations, including an international online presentation to the UK Diaspora, an IMF CARTAC Regional Webinar, and participation in the Jamaica Chamber of Commerce's Annual Customs Seminar, supporting regional knowledge sharing and stakeholder education.

The JCA participated in 10 major expositions and fairs, expanding its presence across national and sector-specific events. These included Expo Jamaica, the Tourism Enhancement Fund Stakeholder Seminar, the Jamaica Special Economic Zone Authority forum, Jampro's Exporter Information Session, the JCF Transformation Expo, the Caribbean Maritime University Maritime Mania Expo, and other public-education and industry-focused activities.

Jamaica Single Window for Trade (JSWIFT)

JSWIFT activities during the period focused on strengthening system adoption, stakeholder capacity, and change management through targeted training and awareness initiatives to support the effective implementation of regulatory processes and system enhancements across participating agencies. In respect of training and awareness, year-to-date, 12 training sessions and 10 awareness sessions were conducted.

Thirteen (13) Border Regulatory Authorities (BRAs) have been successfully on-boarded onto the JSWIFT Platform, which now offers 110 import and export services, with additional services for the following border regulatory agencies (BRA), undertaken year-to-date: Veterinary Services Division, Plant Quarantine Produce Inspection, Firearm Licensing Authority and Jamaica Agricultural Commodities Regulatory Authority.

Border Protection

The JCA strengthened its intelligence, risk, and enforcement posture during the reporting period, with referrals for risk profiling increasing sharply to 129, reflecting improved intelligence inputs and risk-based targeting. Intelligence-driven internal operations rose from 12 to 17 by end-December 2025. Enforcement effectiveness improved by eight percentage points to 27.0 percent, while non-intrusive inspection detection rates increased significantly from 0.6 percent to 2.2 percent year-to-date, indicating enhanced screening efficiency and anomaly detection.

For the period April to December 2025, a total of 767 seizures were recorded, surpassing the 631 seizures during the corresponding period of FY 2024/25. Narcotics seizures remained relatively stable at 159, compared with 162 in the prior year. Year-to-date seizures showed substantial increases in prohibited and illicit items, including 356 firearms, 495 magazines, 35,087 rounds of ammunition, and 10,623,196 cigarettes, significantly exceeding the levels recorded in the corresponding period of the previous fiscal year.

Additional enforcement outcomes included the seizure of 372 debit and credit cards, representing a 10.7 percent increase year-on-year, and cash seizures totaling US\$55,960 and £8,207. Border management capabilities were further strengthened through the operationalization of the Canine Unit

with eight teams, the deployment of drone technology, the commissioning of the patrol vessel, The Guardian in August 2025, and approval of a marine base location in Clarendon.

Legislative Reform

The JCA undertook extensive preparatory and coordination activities to advance the Customs Act 2025 and supporting Regulations. Key achievements included the development of a draft brief on Clause 224 addressing Customs' inspection powers.

Drafting Instructions for the Customs Act 2025 were completed and submitted to the Chief Parliamentary Counsel, alongside coordination with the MOFPS, the Legislative Council, and other key stakeholders in preparation for the re-tabling of the Bill. Overall, the period was characterized by strengthened technical readiness, improved governance, and enhanced collaboration to support the timely reintroduction and passage of the Customs Act.

Enterprise Risk Management (ERM) Framework Implementation

Enterprise Risk Management was further integrated into the JCA's activities with the completion of phase two of the ERM implementation. The key activities successfully undertaken included the development of the job descriptions and organization structure modification to accommodate the ERM function in the JCA, establishment of risk registers and capacity building at governance and operational levels.

Human Resource Management and Development

At the start of the fiscal year, the JCA's establishment stood at 1,781 and has since increased to 1,892, reflecting ongoing efforts to fill vacant posts. As at December 31, 2025, 1,502 positions (84.0 percent) on the Executive Agency (EA) establishment were filled, compared with 1,415 positions (87.6 percent) filled during the corresponding period of the previous fiscal year. Overall, this reflects positive workforce growth and strengthened organizational capacity to support the JCA's operational and strategic objectives.

As a knowledge-driven organization, the JCA continues to prioritize staff development. Year-to-date, 1,157 employees received training, representing a 6.0 percent increase over the prior year. Of these, 609 employees completed at least five days of training, a 23.8 percent increase compared with the same period of the previous fiscal year.

In conclusion, the JCA remains committed to advancing its modernization agenda to enhance national development and public protection. Through strengthened legislative and governance frameworks, expanded risk-based compliance and enforcement, digital transformation, and sustained human capital development, the Agency continues to build a more resilient, intelligence-driven, and accountable operating environment.

APPENDIX V

PUBLIC SECTOR INVESTMENT PROGRAMME (PSIP) SUMMARY

\$'000

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 (SFPBs). The table below shows the projected combined expenditure by the Central Government (CG) and SFPBs for FY 2026/27 and the medium term.

Summary of PSIP Financing

Financial Year	Loan/Debt (\$'000)	Grant (\$'000)	Consolidated Fund (\$'000)	Equity (\$'000)	Total (\$'000)
2026/27	23,229,854	2,165,641	88,574,490	46,768,043	160,738,028
2027/28	17,062,332	860,021	72,703,700	54,712,349	145,338,402
2028/29	5,950,754	110,250	84,192,823	67,831,799	158,085,626
2029/30	4,619,613	500,000	88,755,368	60,522,705	154,397,686
2030/31	3,557,830	-	95,461,669	53,543,633	152,563,132

For FY 2026/27, a total sum of \$160.7 billion in expenditure is being projected to facilitate the implementation of 128 public investment projects across the CG and SFPBs. Three (3) of the investment projects are being implemented through public private partnerships (PPPs).

The CG will commence/continue the execution of 41 investment projects from an allocation of \$99.7 billion in FY 2026/27. The allocation includes a contingency provision of \$35.0 billion under Head 20000C, Ministry of Finance and the Public Service, to facilitate implementation of new public investment projects that are approved by Cabinet during the fiscal year. This includes \$30.0 billion to commence implementation of projects related to Hurricane Melissa reconstruction/restoration.

Analysis of the CG Investment Programme reveals that Head 20000C, Ministry of Finance & the Public Service (MOFPS) has been allocated 38.0 percent of the total CG capital budget with the Contingency Provision accounting for 96.0 percent of the allocation under the Head. Of note, the Ministry of Economic Growth & Infrastructure Development (MEGID) accounts for 21.9 percent, the Ministry of Health & Wellness (MOHW) 13.9 percent and the Ministry of Water, Environment & Climate Change (MWECC) 11.2 percent of the total CG Investment Programme.

Public bodies continue to contribute to the infrastructural and economic development of the Jamaican economy. For FY 2026/27, the SFPBs project to spend \$44.7 billion for public sector investments compared to \$36.0 billion for FY 2025/26. Approximately \$38.7 billion (or 87.0 percent) of the expenditure is being financed from revenues generated by the entities.

A. THE CENTRAL GOVERNMENT

Highlights of planned investments for key public projects within the public sector during fiscal year 2026/27 are outlined below:

1) NATIONAL SECURITY

Construction of the Westmoreland Police Divisional Headquarters – At end-January 2026, the facility had reached 57.0 percent completion with execution negatively impacted by the passage of Hurricane Melissa in October 2025. The Project has been allocated the sum of \$0.8 billion in the FY 2026/27 Estimates of Expenditure to achieve 85.0 percent completion. An extension of the contract duration is expected to be approved because of the delays arising from by Hurricane Melissa.

Construction of the St. Catherine North Police Divisional Headquarters – Works on the main building reached 24.0 percent completion at end-January 2026 and despite slow progress in some areas, the project has steadily gained momentum with a targeted completion date scheduled for early 2028. The allocation of \$0.7 billion for FY 2025/26 was fully disbursed and for FY 2026/27 the sum of approximately \$1.0 billion has been allocated to continue works and achieve 50.0 percent completion.

Construction of JCF Specialised Operations (West Facility) – The facility is expected to enhance the Jamaica Constabulary Force's (JCF) crime reduction infrastructure in the Western Region. The budgetary allocation of \$0.9 million for FY 2026/27 is to mobilize the construction contractor.

2) SOCIAL SECTOR

The ***Jamaica Social Investment Fund (JSIF)*** is responsible for managing the implementation of community-based projects which seek to address some of the socio-economic needs of at-risk communities across Jamaica.

Four projects were under implementation during FY 2025/26 (i) Rural Economic Development Initiative II; (ii) School Infrastructure Improvement Project; (iii) Capacity Building for Education and Livelihoods Development Project; and (iv) Integrated Community Development Project II, with all slated for completion during the fiscal year. The pace of execution of these projects was slower than planned during the first two quarters of the fiscal year due to contractor delays, variations and/or procurement delays. The impact of Hurricane Melissa in the third quarter further compounded project delays, however, extensions of the completion timelines were approved for all four projects. The \$2.3 billion allocated for FY 2026/27 will be used to complete the execution of project activities under three projects and significantly advance the fourth.

Integrated Community Development Project II – The project was established to enhance access to basic urban infrastructure and services in seven (7) marginalized communities. In the penultimate year of implementation, school rehabilitative work was undertaken at August Town Primary and Hope Valley Experimental Schools in St Andrew, while works including rehabilitation of roadway, drainage network and water main were completed in Norwood and Salt Spring, St James.

For FY 2026/27, \$0.2 billion has been allocated to complete the installation of pumps and a transmission main in Anchovy, St James, carry out final audit and project closure.

School Infrastructure Improvement and Capacity Building for Education and Livelihoods Development Projects: both projects are being financed by the GOJ and the Caribbean Development Bank under a grant facility. A total of 16 sub-projects were identified across the two projects and progress to date include:

1. The completion of four sub-projects, with 11 in supervision and one proposed for transfer to an upcoming project.
2. Rehabilitative works at some schools were affected by Hurricane Melissa and although there is a revised project completion date of August 2026, there is the risk of not completing the project by the revised completion date.

For FY 2026/27, the allocation of \$0.6 billion is to facilitate disbursement of the outstanding balances under the grant agreement to complete the remaining sub-projects (11) under both projects.

Rural Economic Development Initiative II – This project aims to improve market access for micro, small and medium size businesses linked to the 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 2025/26, \$1.1 billion was allocated to facilitate the continued redevelopment of a tilapia hatchery, establishment of a cold storage facility, supply greenhouse and drip irrigation equipment and agricultural inputs for women, youths and relief for persons affected by Hurricane Beryl.

The project was slated to end in September 2025 but the loan agreement under which the project is funded was extended to May 2027 to allow for the completion of several sub-projects approved for execution.

For the FY 2026/27, budgetary support of \$1.5 billion has been provided to fund the construction of greenhouses, cold storage facilities and the rehabilitation of tourism enterprises/products.

3) EDUCATION

During the 2025/26 fiscal year, the Ministry of Education, Skills, Youth and Information (MOESYI) was allocated a total of \$4.2 billion to execute five (5) projects. The allocation was however, reduced to \$2.5 billion due to the negative impact of Hurricane Melissa. One project, the Establishment of a Diagnostic Centre at CASE, was completed and subsequently closed out.

For FY 2026/27, the allocation of \$3.4 billion is to support the remaining four (4) projects under implementation.

Education Transformation Programme (ETP) – In FY 2025/26 the construction of the additional 3rd and 4th form classroom blocks at the Mount St. Joseph High School in Manchester was completed and construction of administrative offices at an advance stage of completion. The engagement of a contractor for the construction of the auditorium and canteen buildings was in the procurement stage after numerous delays.

For FY 2026/27, the project has been allocated \$0.4 billion to commence and complete construction of the auditorium and canteen buildings as well as carry out any necessary rehabilitation of 3rd and 4th form classroom blocks and administrative offices.

Education System Transformation Project (ESTP) II – This project seeks to increase student access to quality secondary school placements through the construction of five (5) Science, Technology, Engineering, Arts, and Mathematics (STEAM) academies and one (1) visual and performing arts secondary level institution. The project also seeks to improve school efficiency and administration through the establishment of a school management framework. For FY 2025/26, the sum of \$0.7 billion was initially allocated to complete and seek approval of the STEAM education policy and to commence construction of the first STEAM academy.

The STEAM School Governance and Management Framework is now complete. However, due to implementation delays, the budget allocation was reduced in the Third Supplementary Estimates 2025/26 to \$0.4 billion.

For FY 2026/27, \$0.9 billion has been provisioned to: engage a contractor using a design and build method for the first STEAM School at Bernard Lodge; finalize the STEAM education policy; and acquire lands for the remaining schools to be constructed.

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) upgrade the electrical system at selected primary and high schools, and 3) improve the security of school campuses by erecting perimeter fencing.

Infrastructure development to date has been completed at nine (9) schools, electrical upgrading finalized at twelve (12) schools and fencing constructed at six (6) schools. During FY 2025/26 the project was allocated \$1.8 billion to commence construction of additional classroom spaces at ten (10) schools, commence and complete electrical upgrading works at seven (7) schools and

commence and complete construction of security fencing at seven (7) schools. This sum was reduced to approximately \$1.0 billion due to implementation delays resulting from the adverse effects of Hurricane Melissa.

For FY 2026/27 the project has been allocated \$1.5 billion to support construction activities at twelve (12) schools, electrical upgrades at eleven (11) schools and fencing works at seven (7) schools. The project is slated to end in March 2028.

Jamaica Education Project (JEP): This project falls within the Education System Transformation Programme II (ESTP II) and its focus is to support efforts to address cultural challenges affecting student retention and learning outcomes. The objectives are: 1) To provide training on STEAM-integrated pedagogy to six thousand (6,000) pre-service and in-service teachers; 2) construct a STEM school with enrolment capacity of two thousand five hundred (2,500) students; 3) upgrade the Education Management Information System (EMIS); and 4) developing a STEAM policy.

The sum of \$0.8 billion was allocated in FY 2025/26, to develop training plans for Grades 7-13 principals, master trainers and teachers, develop predictive modelling for early warning systems to identify at risk students, develop intervention systems to support and retain at risks students and to procure audio visual and science equipment for secondary schools. The allocation was subsequently reduced because of implementation delays.

For FY 2026/27, the sum of \$0.6 billion has been allocated to continue training activities and engage a design and build contractor to commence construction of the first STEAM school.

4) HEALTH

Health System Strengthening for the Prevention and Care-Management of Non-Communicable Diseases: The project seeks to improve the management, quality and efficiency of health service delivery through strengthened and integrated primary and hospital services network.

Execution of Phase 1 activities continued during FY 2025/26 with: (i) the construction of Spanish Town Hospital and three (3) health centres in St. Catherine - Greater Portmore, St. Jago Park and Old Harbour; (ii) the completion of technology infrastructure upgrades and purchase of computers in over 100 health facilities and handing-over of biomedical equipment to five (5) Health Centres.

Phase 2 infrastructure works commenced during FY 2025/26 with contracts signed for two (2) Health Centres (Ocho Rios and Brown's Town) and the build-out of the May Pen Hospital Outpatient Department.

The sum of \$4.0 billion has been allocated for FY 2026/27 to support on-going construction works and commence procurement of equipment for the facilities. A second-round piloting of the Chronic Care Model in five (5) Health Centres is scheduled to take place, and data collection and reporting of the fourth instalment of the Jamaica Health and Lifestyle survey is to be conducted.

Redevelopment of the Cornwall Regional Hospital: The planned hand-over of three areas of the hospital facilities during FY 2025/26 was not attained due to: (i) adjustments in the requirements for Mechanical, Electrical and Plumbing (MEP) and IT infrastructure; and (ii) the slowing of execution

as a result of damage sustained from Hurricane Melissa. As a result of these factors, a request has been made for an extension of the project completion timeline from August 2026 to December 2026.

The project was reported to be 70.0 percent complete at end-December 2025. An allocation of \$5.4 billion has been provided for FY 2026/27 to support ongoing project implementation and meet expenses associated with the acquisition of medical equipment.

Western Children and Adolescent Hospital: This hospital, which is situated on the grounds of the Cornwall Regional Hospital, on completion of construction will entail: (i) a complex with a dedicated pharmacy, emergency department, laboratory, surgery department, intensive care unit and wards (220 beds); (ii) Apartments for nurses and (iii) Mortuary and an electromechanical equipment building.

The hospital reached 77.0 percent completion in December 2025, with a scheduled completion date of December 2026. The project is financed by a grant from the Republic of China, with additional essential medical equipment to be acquired through the \$3.0 billion allocated for fiscal year 2026/27.

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. In FY 2025/26 the defects liability period ended for Phase 1 activity – the re-routing of the eastern section of the Ring Road to accommodate the building footprint and construction of 236-parking spaces. A contract for the construction of the 6-storey building under Phase 2 of the project was signed and the budget adjusted to support mobilization payment. The requested amendment to the contract is to be effected.

A project management firm is to be engaged during FY 2026/27 to supervise the works contractor and validate certificate claims. A biomedical consultant has also been engaged to verify the list of equipment and develop specifications as necessary. The sum of \$1.4 billion has been allocated to support project implementation during the coming fiscal year.

5) 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.

During the current fiscal year, an allocation of \$1.0 billion was provided for the construction, renovation and upgrading of infrastructure at the Bodles Research Station (Central, North & South), as well as the Montpelier, Hounslow, Top Mountain and Orange River research stations. Key achievements during the year included installation of the herd management system, security fencing, construction of cattle races, upgrades of the irrigation systems at Central, North and South Bodles, renovation of administrative buildings, repair to access road at Orange River and acquired farm equipment for designated research stations. Other activities at various stages

of achievement include: construction of the new piggery, completion of a feasibility study for business case, installation of boundary fences, lighting and upgrades to security gates, and improvements to pumps, tanks and plinths.

For FY 2026/27, \$1.0 billion has been allocated to complete ongoing and new agricultural infrastructure activities across the research stations (Bodles, Montpelier, Hounslow, Orange River, Top Mountain), including: (i) Enhancement of livestock facilities such as completion of the new piggery and commencement of work on housing for dairy workers; design and costing the animal performance testing facility, renovation of small ruminant houses and building new goat and hay barns; (ii) Road repairs at several research stations and installation/upgrading of fencing at Montpelier and South Bodles; (iii) Crop and pasture development to include establishing greenhouses for protected agriculture, creating a nursery for conservation of exotic fruit trees, installation of irrigation systems for 15 acres of pasture and establishing 15 acres of crop at Montpelier; (iv) Administrative and residential development comprising the renovation of existing residential houses and construction of new office buildings equipped with laboratories and staff amenities. Electronic access control and surveillance systems will be installed.

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. Additionally, agricultural buildings for packaging and storage of farm produce are to be constructed within two agro parks in the targeted communities. The project was allocated \$1.0 billion in FY 2025/26 to complete remediation and resilience works to road infrastructure, installation of pumping equipment at three wells, construction of pump house and installation of pumps at the fourth well. Procurement commenced for the acquisition of GIS equipment and construction of agricultural buildings, with completion scheduled during FY 2026/27.

In FY 2026/27, the sum of \$1.0 billion has been allocated to complete the construction of the agricultural buildings, acquire drain cleaning equipment for the National Irrigation Commission, install renewable energy and security systems at the well sites and to activate the Matching Grant Scheme to support farmers. Further farm-road resilience works to mitigate damage from adverse weather events, will be undertaken. The project is expected to close during the 2026/27 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 crop yield by a minimum of 90.0 percent in a socially inclusive gender equitable and climate sensitive manner. In FY 2025/26, a total of \$1.8 billion was allocated to the project to complete remedial works on farm roads damage by Hurricane Beryl, install pumps and related equipment for the renewable energy plant that will support the irrigation system, construct agricultural buildings compliant with Global GAP standards, and build four pump houses. While most planned activities were completed, the installation of the pumps and associated equipment, as well as the construction of the produce handling facility is still to be completed.

For FY 2026/27, an allocation of \$0.9 billion has been earmarked to advance the supply and installation of pumps, switchgears and other essential equipment required to operationalize the irrigation and renewable energy systems. In addition, the allocation will facilitate the completion of

the produce handling facility, which is expected to strengthen post-harvest management and improve market readiness for farmers.

6) ENHANCING COMPETITIVENESS AND GROWTH

Boosting Innovation, Growth & Entrepreneurship Ecosystem Project: The aim of this project is 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. The project has met or exceeded some of its development targets and has impacted over one thousand five hundred (1,500) MSMEs. During FY 2025/26, the sum of \$1.7 billion was allocated to the project; however this was reduced to \$0.9 billion due to delays in legal agreements that would affect disbursement of loans and grants.

For the 2026/27 fiscal year, the sum of \$0.9 billion has been allocated to provide additional grant support to pre-approved MSMEs from the project's grant and loan balances. The project will enter its closeout phase during the fiscal year as the loan agreement with the Inter-American Development Bank ends in September 2026, while the European Union grant agreement ends in January 2027.

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 the implementation of an Urban Traffic Management System (UTMS) in the Kingston Metropolitan Area (KMA). In the current fiscal year, the project was allocated \$1.3 billion to complete technical studies for preparation of the revised National Integrated Energy Plan and conduct lighting and energy retrofitting of government facilities. Energy efficient and renewable energy installations were carried out in sixteen (16) government facilities while deep retrofitting works continued in six (6) hospitals. A comprehensive review of the electricity sector to support the upcoming renewal of the national electricity distribution license also commenced.

For FY 2026/27, a total of \$0.9 billion has been allocated to complete the energy efficiency retrofitting of six (6) hospitals and fifty (50) government buildings, and to complete the revised electricity distribution licence contract. The loan agreement under which funding is provided to carry out project activities was extended to June 2027.

7) ROAD INFRASTRUCTURE

The construction/rehabilitation of roads and associated infrastructure on an annual basis utilize a significant percentage of the central government capital budget. In FY 2025/26, road infrastructure projects funded under the Central Government Expenditure budget included the Southern Coastal Highway Improvement Project, the Montego Bay Perimeter Road Project, the Shared Prosperity through Accelerated Improvement to Our Road Network (SPARK) Project,

the Dualization of Braeton Road and Hellshire Main Road (from Naggo Head to Texaco Gas Station to East Mid Street), and construction of the Troy Bridge Project .

For FY 2026/27, funding for road infrastructure constitutes 18.5 percent of the capital budget with focus on of the following projects:

Southern Coastal Highway Improvement Project - This project aims to improve the alignment and capacity of the existing southeastern coastal main arterial road from Harbour View to Port Antonio in an effort to improve safety, increase efficiency in traversing the road corridor and in making the areas along the road more attractive for future development. The project also includes the construction of a third leg of the east-west highway from the Rio Minho Bridge in Clarendon to Williamsfield in Manchester. During the 2025/26 fiscal year, the project received a budgetary allocation of \$2.5 billion to continue segments of phase 3 of the local roadworks construction packages from Harbour View, St Andrew to Port Antonio, Portland.

For FY 2026/27 the sum of \$2.0 billion has been allocated to complete works on Tranche 3 of the local roadworks and install pipeline along the corridors. Remedial works in areas where defects have been identified will also continue.

Montego Bay Perimeter Road: The objective of this project is to create a safe and reliable alternate route/road for motorists travelling across and within Montego Bay, thus reducing congestion within the city and availing 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 bypass the Long Hill Road corridor and the rehabilitation/improvement of the Barnett Street/West Green Avenue intersection. This project was allocated \$14.0 billion in FY 2025/26 to continue final designs for the Long Hill Bypass and construction works on both the Montego Bay Bypass and the Long Hill Bypass corridors.

A total of \$11.5 billion has been allocated in FY 2026/27 to continue: (i) land acquisition activities for both the Montego Bay and Long Hill Bypasses; (ii) civil works on the Montego Bay and Long Hill Bypasses; and (iii) improvement of the Barnett Street/West Green Avenue intersection. The Montego Bay Bypass should be completed by March 2027. Civil works on the Long Hill Bypass and rehabilitation/improvement of the Barnett Street/West Green Avenue will continue with the latter scheduled to be completed by end-FY 2026/27.

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. In FY 2025/26 this project was originally allocated \$8.0 billion to continue the rehabilitation of several roads across the country but this amount was subsequently reduced to \$5.7 billion.

For FY 2026/27, the project has been allocated \$4.5 billion to continue the rehabilitation of several roads across the country and replace old leaking water mains where necessary.

8) ENVIRONMENTAL RESILIENCE & CLIMATE CHANGE

Enhancing the Resilience of the Agricultural Sector and Coastal Areas – Under this project, the sum of US\$10 million in grant funds was provided by the Adaptation Fund to execute various climate change initiatives in the agricultural sector and on specific mountain ranges and coastline areas. Over the life of the project several shoreline protection initiatives (wall and composite revetment) were implemented in Buff Bay, Orange Bay and two sites in Annotto Bay. Climate change adaptation plans were developed, natural resource management training conducted, and reforestation effort supported with the planting of 30,000 trees.

For FY 2026/27 the project has been allocated \$30.0 million to support shoreline protection works at Buff Bay Site no. 2, undertake reconfiguration of the outfall of the ‘Motherford’ Drain, and conduct close-out activities.

9) DIGITAL TRANSFORMATION

Implementation of the National Identification System (NIDS) for Economic Growth: The National Identification and Registration Authority (NIRA) was operationalised during FY 2025/26 with the engagement of senior staff and the transition of the operations of the Registrar General’s Department to the new department. Other project achievements include the digitization of 2.2 million civil records, training of employees within eleven (11) deposit taking institutions and two (2) credit reporting entities to enable the use of the NIDS for onboarding of customers.

Registration of citizens for a national identification card which was introduced in November of 2024 continued, along with civil works to support its roll-out through the retrofitting of post offices that will act as NIRA Service Centres. Registration of citizens for national identification cards is taking place at the Central Sorting Office (CSO); and seven (7) Post Offices are scheduled to be retrofitted and converted into registration centres by end-FY 2025/26. A total of \$1.9 billion was allocated to FY 2026/27 to: (i) complete the modification of 15 post offices for use as enrolment centres; (ii) facilitate wide area network connections, and (iii) Complete the Office of the Registrar General (ORG) Web Portal for eWallet and Digital Birth Certificates.

10) WATER SUPPLY INFRASTRUCTURE

Western Parishes Water Supply and Resilience Improvement Programme: The objective of the project is to enhance the efficiency, reliability, and resilience of the water transmission system between Martha Brae, Trelawny and Leaders Avenue, Montego Bay and Lucea, Hanover to Negril, Westmoreland by the comprehensive upgrading of aged pipeline infrastructure.

For the upcoming fiscal year, this project has been allocated \$11.0 billion to continue the development of designs for the new transmission infrastructure and commence the procurement and installation of pipes, fittings and appurtenances along the pre-determined route to replace the existing aged pipeline infrastructure.

B. SELF-FINANCING PUBLIC BODIES (SFPBs)

National Housing Trust (NHT): The NHT will continue to pursue the increased delivery of housing solutions in the medium term. In the 2025/26 fiscal year the NHT commenced construction of 8,425 housing units and delivered 3,111. For FY 2026/27, the Trust plans to commence construction on 10,675 new housing solutions and deliver a total of 5,673 at a cost of \$24.2 billion. The housing units will be constructed in collaboration with small contractors, under the developers' programme, as joint ventures, via the inner-city housing programme as well as NHT's own projects contractors.

Port Authority of Jamaica (PAJ): The Port Authority of Jamaica (PAJ) is forecast to spend \$9.2 billion to execute its capital programme in FY 2026/27. The focus of the Authority during the year will be the Ocho Rios Berth 2 development (\$0.3 billion) and the Caymanas Special Economic Zone (\$8.9 billion).

Airports Authority of Jamaica (AAJ): The Airports Authority of Jamaica (AAJ) plans to undertake public investment projects totalling \$5.2 billion during FY 2026/27. This includes \$5.0 billion to advance the rehabilitation of the Airport Apron at the Norman Manley International Airport (NMIA) and \$0.2 billion for shoreline protection and the other capital development programmes at the NMIA.

National Water Commission (NWC): The National Water Commission (NWC) will continue infrastructure rehabilitation to improve the provision of potable water and sewage services to its customers in the coming fiscal year. The Commission will expend \$2.6 billion on projects to improve the availability of potable water, the accuracy of customer metering and sewerage operations. The sum of \$1.7 billion has been budgeted for the execution of works under the K-factor Programme and \$0.5 billion for the Greater Mandeville Water Supply project.

APPENDIX VI

FISCAL RISK STATEMENT

Introduction

During FY 2025/26 the Jamaican economy was significantly disrupted by Hurricane Melissa, a destructive category 5 hurricane that primarily impacted the western parishes. This resulted 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 crucial 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 2025/26 as evidenced by the improved fiscal aggregates compared to the revised projected targets. Despite the improvement in fiscal and economic resilience, Jamaica remains considerably exposed to fiscal and macroeconomic risks.

Protecting the economy from shocks through effective management of these risks continues to be a priority of the GOJ. This involves identifying potential threats—such as climate change, public-private partnership liabilities, and wage negotiations—and implementing safeguards to prevent them from derailing the national budget. By managing these risks now, we ensure long-term stability and avoid the need for emergency disruptive measures later.

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 2026/27 budget and medium-term projections; contingent liabilities which may arise from climate change, the operation of public bodies, public private partnerships; 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
<i>Macroeconomic Risks</i>	
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.
<i>Contingent Liabilities</i>	
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.
<i>Other</i>	
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.

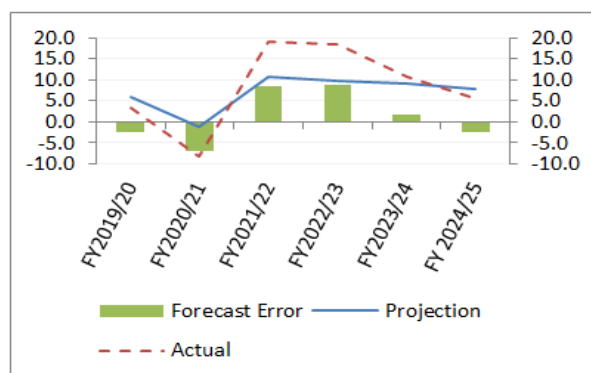
Source: MOFPS

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 budget¹ and actual outturns for both nominal and real GDP over the period FY 2019/20 to FY 2023/24, and estimated outturns for FY 2025/26. 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..

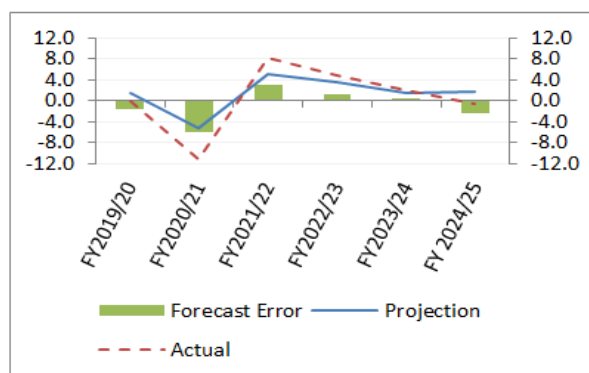
Figure VI (a): Nominal GDP Projections vs Actual Outturns



Source: MOFPS

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

Figure VI (b): Nominal GDP Projections vs Actual Outturns



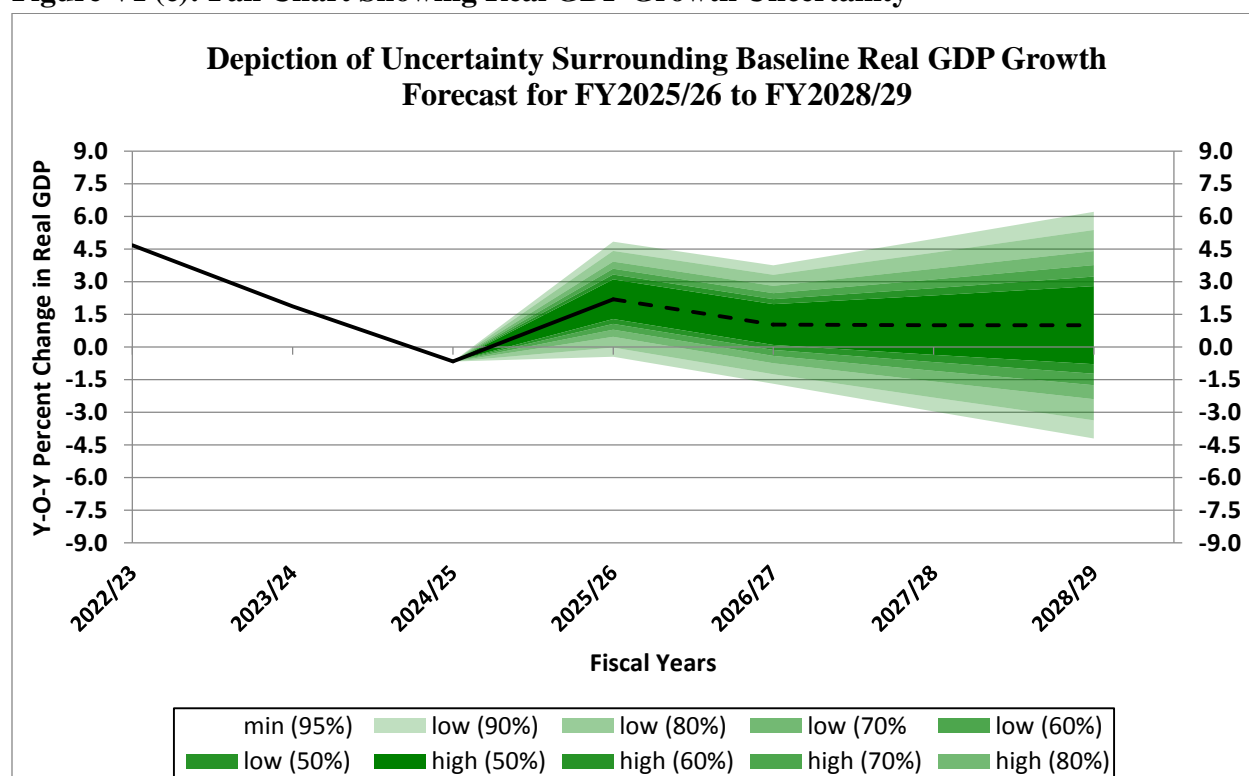
Source: MOFPS

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

Real GDP is projected to contract by 0.5% for FY 2025/26. 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%.

¹ 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.

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



Source: BOJ, MOFPS

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

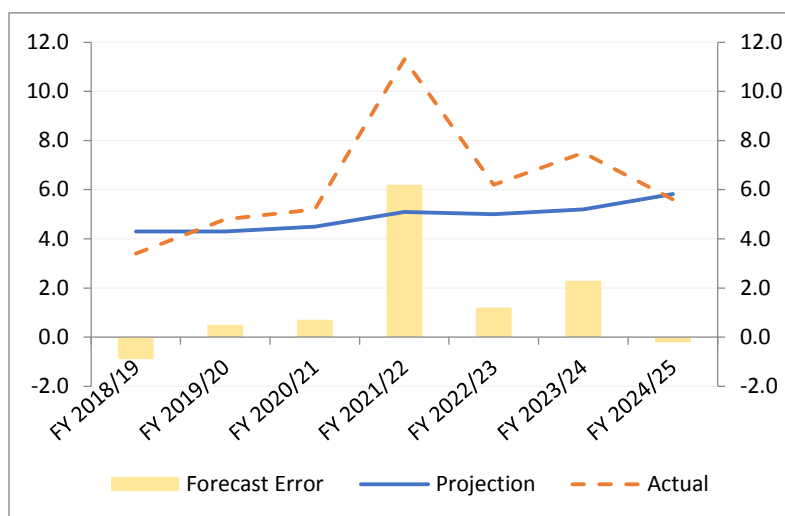
The solid line in **Figure VI (c)** shows actual fiscal year Real GDP growth for the 3-year period from FY 2022/23 through to FY 2024/25 and the estimated growth for FY 2025/26, while the broken line represents the 4-year medium-term baseline projections (from FY 2025/26 to FY 2029/30). The fan chart 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 2025/26 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%.

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. Annual inflation reported as at December 2025 was 4.5 percent, well within the BOJ's target range of 4.0 to 6.0 percent. This is 0.2 percentage point higher than the November 2025 out-turn at 4.3 percent, and 0.5 percentage point lower than inflation of 5.0 percent reported as at December 2024. **Figure VI (d)** highlights the variance between inflation projections and the actual outturns for FY 2018/29 to FY 2024/25.

Figure VI (d): 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 2025/26 to December 2025, the US Federal Reserve eased their monetary policy stance, reducing the target range for the Fed Funds rate from 4.33 percent to 3.72 percent. Consistent with this easing, the 3-month SOFR declined from 4.36 percent to 4.1 percent at end-December 2025. Similarly, the BOJ reduced its policy rate by

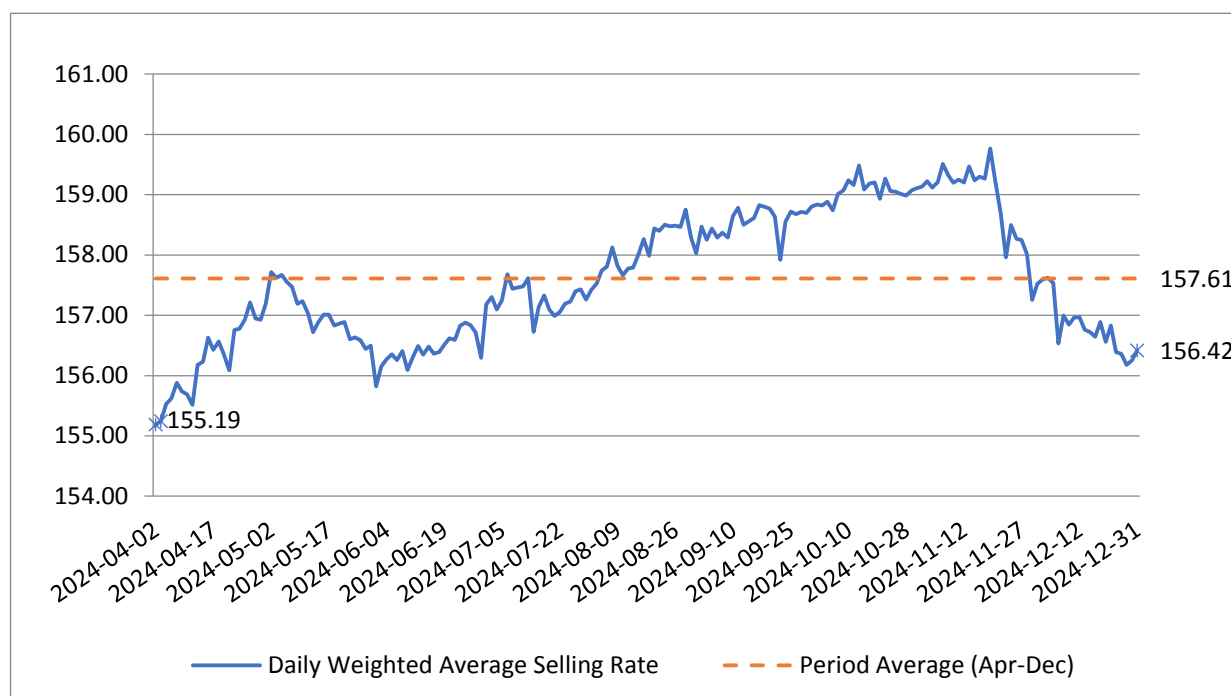
25 basis points from 6.0 percent to 5.75 percent over the period, while the average 3-month Treasury bill rate declined from 5.54 percent to 5.17 percent.

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.

The nominal exchange rate at end-December 2025 represented a depreciation of 2.08 percent over the end-December 2024 rate. The weighted average selling rate at end-December 2025 was US\$1.00 for J\$159.74. This relatively modest depreciation in the local currency represents the general stability in the foreign exchange market, supported by improved supply conditions facilitated by strategic interventions by the Bank of Jamaica (BOJ) via its Foreign Exchange Intervention & Trading Tool (B-FXITT). 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 (e): Daily Exchange Rate Movements of the Jamaica Dollar vis-à-vis the US Dollar



Source: BOJ

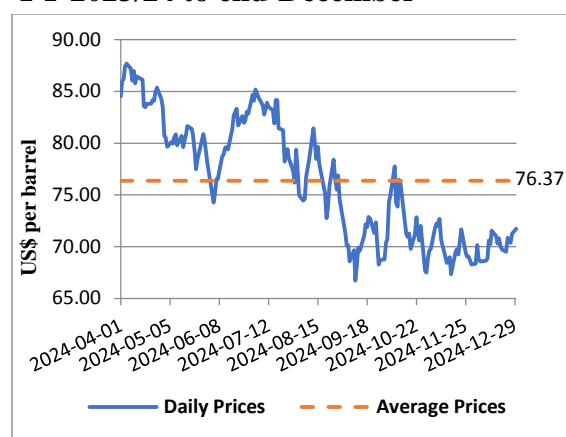
Oil Prices

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 from US\$71.61 to US\$57.26 at end-December 2025. The reduction in the average price resulted mainly from increased production. **Figure VI (f)** highlights the difference between oil price projections and actual outturns for FY 2019/20 to FY 2023/24.

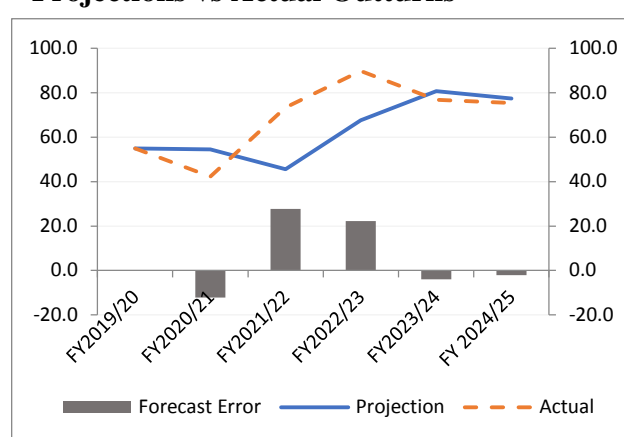
The GOJ continues its Energy Efficiency and Conservation Programme (EECP) and Energy Management and Efficiency Project (EMEP) aimed at promoting energy efficiency and conservation to lower government bills and reduce oil imports.

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



Source: Federal Reserve Bank of St. Louis

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



Source: BOJ

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*²

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

² USAID Climate Change Integration Support (CCIS), 2017: Jamaica Climate Risk Profile

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 in a multi-hazard zone, Jamaica is significantly 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 GOJ's expenditure and revenue programme (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 Risks³

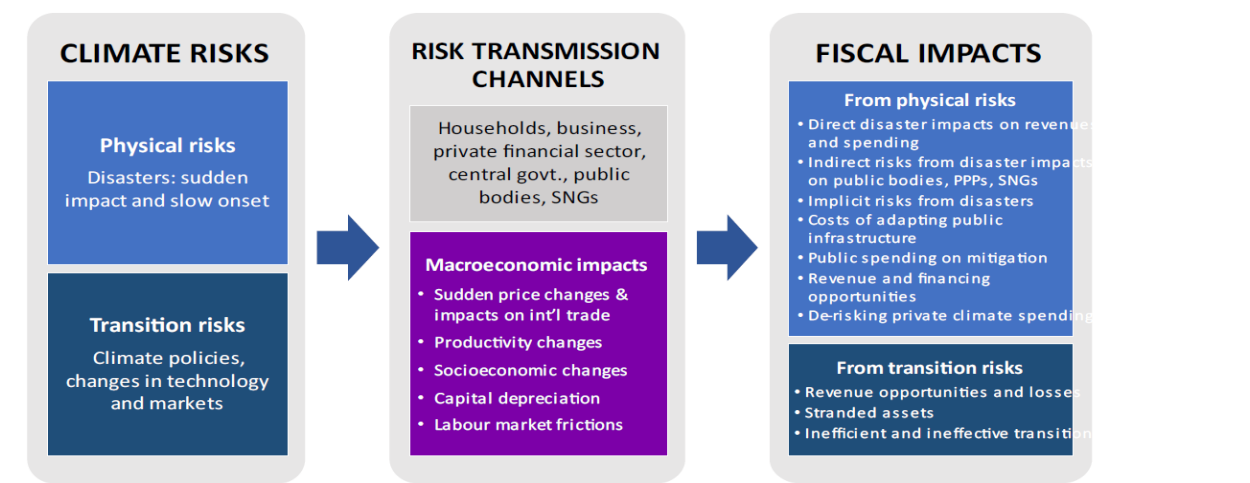
Climate change creates fiscal risks through physical and transition risks. Physical risks are those associated with the impacts from climate change, and can either be event-driven (including increased severity of extreme weather events) or arise from longer-term shifts in climate patterns (including 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.

³ IMF Technical Assistance Report, 2023: Jamaica – Fiscal Risks from Climate Change

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

Figure VI (h): 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 2025, Jamaica has been impacted by approximately 15 hurricanes (systems that reached hurricane strength while affecting the island) with the most recent being Hurricane Melissa. The catastrophic category 5 hurricane that made landfall in western Jamaica in October 2025 is recorded as the costliest and most powerful storm in the nation’s history, causing an estimated US\$8.8 billion in damage.

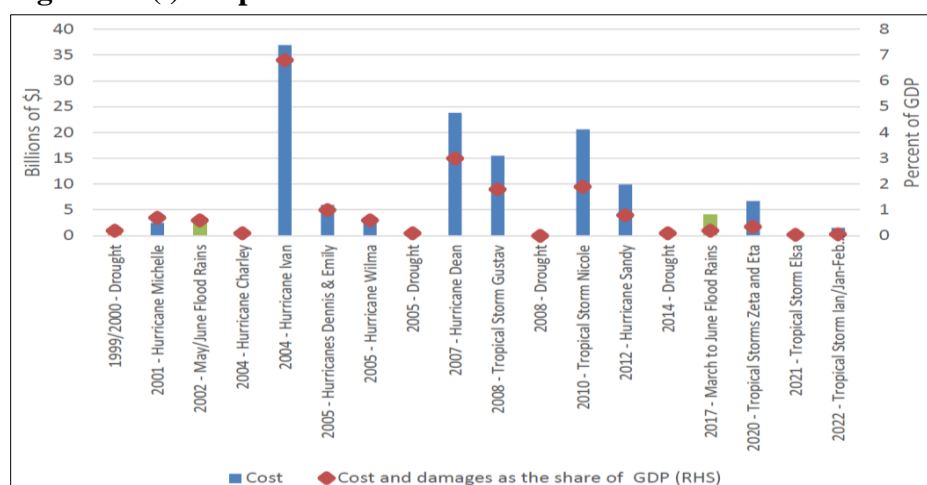
A 2018 assessment found that, historically, there was a tendency to reallocate resources to meet the more pressing costs associated with natural disaster response⁴. This reallocation is accounted

⁴ Jamaica Advancing-Disaster-Risk-Finance’, World Bank 2018, pp. 19-23.

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.

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

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



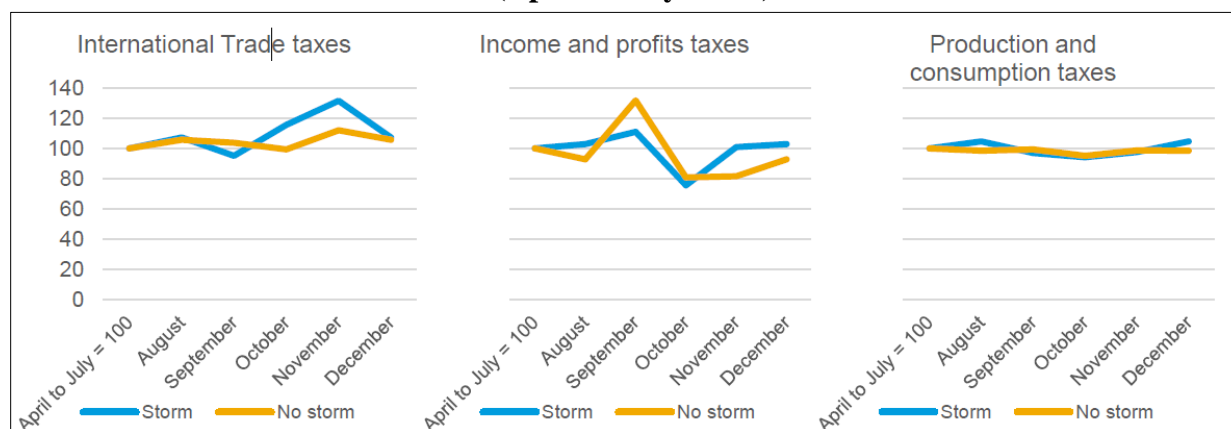
Source: IMF Technical Assistance Report, 2023: Jamaica – Fiscal Risks from Climate Change

The strategic investment by the GOJ in disaster risk financing has been instrumental in mitigating the fiscal impact of natural disasters. Specifically, the GOJ has benefitted from inflows associated with several instruments within its disaster risk financing portfolio under the National Natural Disaster Risk Financing Policy, including Jamaica’s Catastrophe Bond issued in collaboration with the World Bank (US\$156.7 million), the World Bank’s Catastrophe Deferred Drawdown Option (CAT-DDO) (US\$41.8 million) and insurance policies with the Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF) (US\$80.9 million). Additionally, resources have been disbursed from the IMF’s Rapid Financing Instrument (US\$417.8 million), while US\$300.0 million is expected to be disbursed from the Inter-American Development Bank’s Contingent Credit Facility by end-March 2026. The utilization of resources from the National Natural Disaster Reserve Fund (comprising funds associated with the DRF instruments and other Melissa-related inflows) and the Contingencies Fund has supported the post-Melissa relief and recovery efforts.

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 (j): 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 is underpinned by 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 Natural Disaster Reserve Fund (NNDRF), a National Disaster Fund (NDF) and a Contingencies Fund to assist in financing the emergency response and recovery efforts following a natural disaster. The Government also has in place arrangements with the IDB and the World Bank for a Contingent Line of Credit (CCL) and a Catastrophe Deferral Drawdown Option (CAT-DDO), respectively that provide financing in the event the country is affected by a disaster of meeting specified parameters. Additionally, the GOJ subscribes to insurance policies with the Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF-SPC), covering tropical cyclones, excess rainfall and earthquakes.

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 is in place which protects depositors up to J\$1.5mn per account. 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.

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 and the Students' Loan Bureau are other such entities.

Table VI (d) provides projections for FY 2026/27 in respect of some public bodies that are programmed to receive support from GOJ to assist with operational activities/costs.

Table VI (d): Public Bodies Support from GOJ

Public Body	FY 2026/27	FY 2025/26
Airports Authority of Jamaica	13,000	-
Jamaica Urban Transit Company	10,759	11,009
Students' Loan Bureau *	2,250	1,000
Universal Service Fund	1,316	3,250
Transport Authority	-	1,014
National Water Commission	-	13,250

Source: MOFPS

* Includes allocations for the STEAM 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.

Public Private Partnerships⁵

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.

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 financial closure for the project was achieved on December 13, 2024. Construction work has commenced on the Water Treatment Plant.

⁵ 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 in 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).

- **Schools Energy Efficiency and Solar Project**

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 inclusion in 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. FY 2024/25 represented the third and final year of implementation of the public sector compensation restructure. Some outstanding elements were addressed in FY 2025/26. Wage negotiations relating to the contract period commencing 2025/26 are ongoing.

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, is expected to be mitigated through the implementation of the Bank of Jamaica (Amendment) Act, 2020. The Act 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.