



GOVERNMENT OF JAMAICA

FISCAL POLICY PAPER

FY 2025/26

(As Presented)

INTERIM REPORT

2nd December 2025

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PART 1

FISCAL RESPONSIBILITY STATEMENT

INTRODUCTION

The Jamaican economy was significantly impacted on October 28th by Hurricane Melissa which made landfall in Westmoreland. According to the PIOJ, apart from Westmoreland, the most severely impacted parishes included St. Elizabeth, St. James, Hanover, Trelawny, St. Ann and Manchester. The preliminary projection for real economic growth for FY 2025/26 now stands at *minus* 4.3 per cent, a decline compared to 2.2 per cent at the time of the original budget. Nominal growth is now projected to be *minus* 0.2 per cent.

For the month of September, the inflation rate was 0.8 per cent, with the point-to-point rate standing at 2.1 percent. In August the inflation rate, as reported by the Statistical Institute of Jamaica (STATIN), was 0.3 percent. However, on a point-to-point basis, inflation levels hit a new record low of 1.2 percent. For the most part, recent inflation outturns¹ have been within the Bank of Jamaica's target range (4.0 to 6.0 percent). For July, the point-to-point inflation rate stood at 3.3 percent, which was lower than the outturn a year ago and below the lower end of the Bank's inflation target. On August 20th, 2025, the Bank of Jamaica's Monetary Policy Committee (MPC) announced its decision to maintain the policy rate at 5.75 per cent. This was against the backdrop of (i) stable and falling inflation levels (ii) current account of the balance of payments being in surplus, alongside growing remittances and tourist arrivals (iii) NIR of US\$6.1 billion at end July 2025.

STATIN published the results of the April 2025 Labour Force Survey in July 2025, which showed unemployment now standing at 3.3 per cent, lower than the 3.7 per cent reported for January 2025. The results held firm for the July 2025 Labour Force Survey, released at end September 2025, which showed unemployment at 3.3 per cent.

The Central Government's Second Supplementary Estimates for FY 2025/26 must now be significantly adjusted for the impacts (both revenue & expenditure) on the Budget arising from (Pre-and-Post) Hurricane Melissa matters. Whereas the Second Supplementary Budget was projected to be in "balance", the preliminary assessment is for the Central Government to now generate a fiscal deficit of 3.5 per cent. The debt/ratio is now projected to increase to 68.2 per cent of GDP this fiscal year. **The Government remains committed, even more so during this crisis, to prudent fiscal management.**

Fiscal performance over the April-September 2025 period was fairly robust with Revenue & Grants generating a \$3.8Bn excess over budget, attributable to the Tax Revenue surplus of \$6.8Bn or 1.6 percent over budget which outweighed shortfalls in (i) Non-Tax revenue of

¹ September 2024 to August 2025

\$0.9Bn or 1.0 percent against budget and (ii) Grants shortfall of \$2.1Bn against budget. Bauxite Levy did not register any inflows for the period.

The Financial Administration and Audit (FAA) Act requires that the Interim FPP include:

- (a) The economic outturn of the previous financial year;
- (b) The performance of the first quarter of the financial year;
- (c) Projections to the end of the current financial year; and
- (d) Projections for the succeeding financial year and the medium term.

The FAA Act also stipulates that by September 30 of each financial year, the Budget Call should be issued to accounting officers in Ministries, Departments and Agencies (MDAs). The Budget Call contains the economic and fiscal parameters that inform preparation of the Annual Estimates of Expenditure for the next financial year and the medium-term.

However, due to General Elections, (held on September 3, 2025), that were constitutionally due to be held by September 2025 and the passage of Hurricane Melissa on October 28, 2025, the tabling of the IFPP had to be delayed. Additionally, the government will seek to relax the *fiscal rules* in FY 2026/27 and extend the date, for achieving the 60 per cent of GDP, by two fiscal years to FY 2029/30.

FISCAL & ECONOMIC UPDATE

Central Government's operations for FY 2024/25 were impacted by the passage of Hurricane Beryl (July) and Tropical Storm Raphael in November 2024. Revenue & Grants registered a shortfall, when compared to the Third Supplementary Estimate of \$18.1bn. Expenditure (above-the-line spending) also had a shortfall of \$17.8bn when compared to the Third Supplementary Estimate.

Notwithstanding these shortfalls, the fiscal and primary balances were only marginally below the targeted surplus with outturns of 0.2 percent and 5.4 percent of GDP, respectively. Additionally, the country was on course to meet the debt target of 60 percent of GDP by FY 2027/28. The execution rate for Capital Expenditure was 94.6 percent.

Arising primarily from the two hydro-meteorological events, the Jamaican economy registered an outturn of *minus* 0.5 per cent.

The *net international reserves* (NIR) remained robust at US\$5,826.2mn, and the debt/GDP ratio at end March 2025 stood at 62.4 percent of GDP.

NOTABLE FISCAL DEVELOPMENTS

First Supplementary Estimates

The First Supplementary Estimates for FY 2025/26, was tabled in Parliament on Tuesday July 1, 2025 and these estimates primarily sought to: (i) allocate to Ministries, Departments and Agencies (MDAs) amounts to facilitate payment of salaries and allowances arising from various union agreements concluded in 2024/25 (ii) incorporate the acquisition cost of 110 school buses into the budget of the Ministry of Science, Energy, Telecommunications and Transport (MSETT) (iii) incorporate into the expenditure estimates support for the 3% electricity subsidy for eligible residential customers and (iv) provide for additional subvention to the University Hospital of the West Indies (UHWI) and the University of Technology (UTECH).

Consequent on the foregoing, the Revenue Estimates were expected to increase by \$10.7 billion arising from: (v) the re-addition of the \$1.1 billion to Tax Revenue, previously deducted, in relation to the 3% residential electricity subsidy (vi) the addition of \$9.6 billion to Non-Tax Revenue. The Expenditure (above -the-line) Estimates were programmed to increase by \$10.5 billion, of which, Programmes would increase by \$0.5 billion; Compensation would increase by \$14.9 billion; however, Capital would decrease by \$4.9 billion.

Second Supplementary Estimates

The Second Supplementary Estimates was tabled in the Parliament on Tuesday October 21, 2025 and these estimates sought to: (i) make the necessary adjustments to the 2025/26 Central Government Non-Debt Expenditure Estimates and the 2025/26 Public Bodies Estimates of Expenditure and Revenue as a result of changes in the assignment of subjects and departments, agencies and other public bodies, with effect from September 17, 2025; and (ii) make the allocation of budgetary resources to Head 15063: National Identification and Registration Authority (NIRA), a new department of the Office of the Prime Minister, established under the NIRA Act of 2021, with responsibility for administering the National Identification System and carrying out the functions of the Registrar-General, as prescribed in the Act.

Third Supplementary Estimates

The Third Supplementary Estimates is being tabled alongside this IFPP and will seek to make the necessary adjustments to the Budget arising from pre-and post-Hurricane Melissa expenditure commitments. The additional expenditure for the Third Supplementary includes \$11.3 billion for Compensation, \$94.4 billion for Recurrent Programmes and a reduction in the Capital allocation of \$2.2 billion.

Central Government Operations

The April-September period of FY 2025/26 registered a fairly-robust performance, for the operations of Central Government, with Revenue & Grants recording an excess of \$3.8 billion (0.7 percent) above the First Supplementary Budget while Expenditure (above-the-line spending) registered a shortfall of \$20.2bn (*minus* 3.5 percent) against the First Supplementary Budget. Contributing to the expenditure shortfall was capital expenditure down approximately \$8.3 billion and Interest was down \$4.9 billion, compared to the First Supplementary Budget.

Provisional data indicates that Central Government operations for the fiscal year to end-September 2025 generated a fiscal deficit of \$15.5 billion that was 60.7 percent lower than the budgeted deficit. The surplus on the Primary Balance was \$71.3 billion or 36.3 percent better than target.

Standard & Poor's Upgrades Jamaica

On September 25th, Standard & Poor's upgraded Jamaica's long-term foreign and local currency sovereign credit ratings from 'BB-' to BB,' while its outlook remained "Positive". Our unwavering commitment to being fiscally responsible and implementing sound fiscal policy continues to pay rich dividends.

Latin Finance Awards Jamaica

Jamaica was recognized by Latin Finance through its "Infrastructure Financing of the Year: Caribbean" award for the King Air airport financing deal, executed in the summer of 2024. The deal's significance was that of creating the largest transportation infrastructure bond in the country's history and importantly diversifying the revenue sources with no addition to its debt stock. The awards ceremony took place on October 2, 2025, in New York City

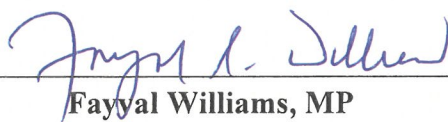
CONCLUSION

The Jamaican economy suffered another setback when Hurricane Melissa (Cat 5) made landfall in Southwest Jamaica on October 28th, wreaking havoc in Clarendon, St. Elizabeth, Westmoreland and Hanover. Loss and damage were also reported in Portland, including the loss of banana crops. Real economic output is preliminarily projected to be *minus 4.3* per cent for FY 2025/26.

Fiscal performance over the April-September 2025 period was fairly robust, reflecting prudent fiscal management. The inflation path since March 2025 has been on a downward trajectory, particularly over the June–August 2025 period, where the point-to-point outturns were below the BOJ’s lower target of 4 percent. With the passage of Hurricane Melissa, inflation is expected to begin rising, due to the fall-out in Agriculture, with an outlook for inflation to be high single digit, on a point-to-point basis between November and March 2026.

Jamaica embarked on the path of fiscal and debt sustainability, approximately 15 years ago when the Fiscal Responsibility Framework was passed in 2010. We were on the cusp of achieving our debt/GDP target this FY and achievement of that target has now been delayed due to Hurricane Melissa.

The Government is focussed on the need for higher and sustainable levels of economic growth and that there is a need for increased digitization as we seek to modernize the economy. Our mission remains that of making Jamaica **the place of choice to live, work, raise families and do business.**



Fayyal Williams, MP
Minister of Finance and the Public Service
December 2, 2025

PART 2

MACROECONOMIC FRAMEWORK

Real Sector Developments

FY 2024/25 – Summary Update

Jamaica's economic performance for FY 2024/25 was marked by a contraction in real GDP of 0.6%, due to declines in both the goods producing and services industries (Table 2A). /

Despite the GDP contraction, the macroeconomic environment remained relatively stable, with low unemployment, moderate inflation, and a stable foreign exchange market.

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

INDUSTRY*	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2024/25 Q1	FY 2025/26 Q2*	FY 2024/25 Apr-Sept	FY 2025/26 Apr-Sept***
GOODS PRODUCING INDUSTRY	-0.5	4.7	3.7	3.2	-1.2	3.6	10.0	-2.7	5.9
Agriculture, Forestry & Fishing	0.5	7.9	7.1	-1.2	-1.1	9.2	23.9	-4.8	15.5
Mining & Quarrying	-15.5	-34.0	-12.2	49.4	-4.4	-4.8	3.8	-8.3	-0.8
Manufacture	-2.4	8.5	7.6	4.9	-0.5	1.5	4.4	-0.4	2.0
Construction	5.5	5.9	-2.5	-0.4	-1.8	1.7	4.8	-2.4	1.9
SERVICES INDUSTRY	-6.8	6.8	6.2	1.9	-0.4	1.0	3.0	-1.0	1.8
Electricity, Water Supply & Waste Management	-6.0	1.1	5.0	5.7	-1.1	-2.6	6.6	-1.6	1.9
Transport & Storage	-14.8	16.0	11.3	2.1	-0.7	1.7	5.2	-0.8	3.5
Information & Communication	4.1	5.2	4.8	2.8	3.0	0.2	1.0	1.1	0.6
Wholesale & Retail Trade; Repair of Motor Vehicles; Installation of Machinery & Equipment	-6.0	6.6	7.2	0.2	-2.0	0.0	4.7	-2.6	1.1
Financial & Insurance Activities	1.0	-0.1	0.1	5.4	2.7	3.9	1.5	3.2	4.2
Real Estate & Business Services	-1.2	1.7	2.8	-0.3	-1.9	0.2	1.2	-2.0	0.7
Public Administration & Defence	1.9	3.1	2.3	0.5	3.0	0.9	2.0	4.5	1.5
Accommodation & Food Service Activities	-50.1	63.6	37.6	10.2	-0.3	4.1	3.6	-2.5	3.4
Education, Health & Other Services	-7.2	6.8	3.8	-0.5	-2.0	-0.5	2.5	-4.2	1.1
REAL GDP GROWTH	-5.3	6.3	5.6	2.2	-0.6	1.6	4.6	-1.4	2.8

Source: STATIN, PIOJ

* The industry classification reflects a revision relative to prior Interim Fiscal Policy Papers, and is based on the adoption of the Jamaica Industrial Classification 2016 (JIC 2016) by STATIN as part of its transition to the 2008 System of National Accounts (SNA).

** PIOJ's estimate

*** The estimates for the April to September period of FY 2025/26 are based on the April to June actuals from STATIN and July to September estimates from PIOJ.

FY 2025/26- First Half Estimated Performance

Real GDP grew for the first half of the current fiscal year, relative to the corresponding period of FY 2024/25. An economic expansion of 2.8% has been estimated for the quarter, reflecting growth in both the Goods Producing and Services industries (Table 2A).

With the exception of Mining & Quarrying, all components within the Goods Producing industry are estimated to have expanded. Agriculture, Forestry & Fishing improved due to favourable weather conditions compared to the first half of the previous fiscal year - which was adversely impacted by Hurricane Beryl. Growth in the industry reflected higher production of agricultural and traditional export crops as well as improvement in animal farming. The expansion in the Manufacturing industry was primarily driven by higher output of petroleum products and non-metallic minerals, supported by increased production of dairy products, sugar, rum & alcohol and carbonated beverages. Construction was boosted by an increase in capital expenditure on civil engineering projects, including road construction works under the Shared Prosperity through Accelerated Improvement to our Road Network (SPARK) programme and activities associated with the Montego Bay Perimeter Road, the Ocho Rios and Falmouth Cruise Pier and the Caymanas Economic Zone. The industry also benefitted from growth in residential building construction, mainly due to higher housing starts by the National Housing Trust (NHT). Real Value Added for the Mining & Quarrying industry decreased due to declines in both alumina and bauxite production for the review period, despite improvements in output during the second quarter of FY 2025/26.

All components within the Services industry are estimated to have expanded. Leading the increase are Financial & Insurance Activities, Transport & Storage and Accommodation & Food Service Activities. The growth in Financial & Insurance Activities is attributed to greater revenues earned at deposit-taking institutions from net interest income, fees and commission. Transport & Storage expanded due to higher levels of activities in both the Transport and Storage components, driven by increased air passenger travel as well as growth in maritime cargo transport. Real Value Added for Accommodation & Food Service Activities benefitted from more stop-over and cruise passenger arrivals for the period compared to the first half of FY 2024/25.

FY 2025/26- Fiscal Year Outlook

The outlook for the second half of the fiscal year reflects an expected sharp economic contraction due to the destructive impact of Hurricane Melissa on local productive assets, with real GDP projected to decline within the range of 4.0% to 6.0% for FY 2025/26. The negative outlook is predicated on expected disruption to most industries, particularly: Agriculture,

Forestry & Fishing – with significant reduction expected in domestic and traditional export crop production as well as lower activity in animal farming; Electricity, Water Supply & Waste Management – with reduced electricity and water consumption; and Information & Communication, with telecommunication activity adversely impacted by the destruction of network equipment. Additionally, the employed labour force is expected to decline as a result of the closure of some business operations as well as the displacement of persons - caused by the extensive damage to homes, particularly in western parishes. Consequently, domestic demand is expected to weaken considerably.

Labour Market Developments

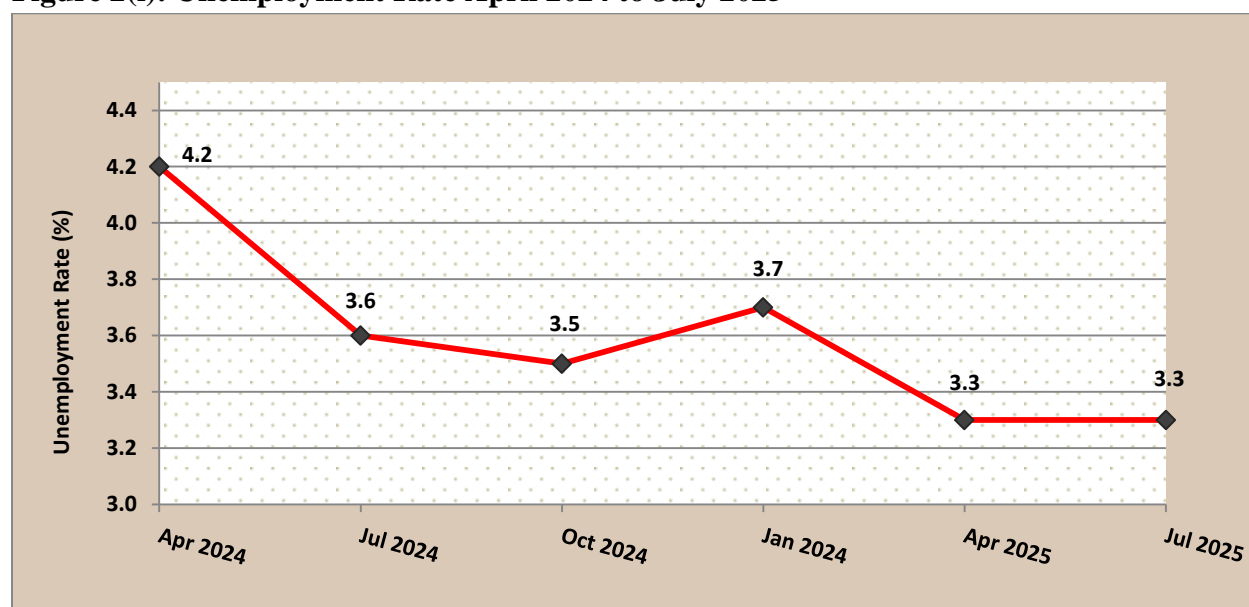
The July 2025 Labour Force Survey, produced by the Statistical Institute of Jamaica (STATIN), showed an improvement in the labour market relative to July 2024, with the unemployment rate falling from 3.6 percent to 3.3 percent (Figure 2(i)). This reflected an increase in the employed labour force of 32,100 persons, 79.1 percent of which were males. The employed labour force consisted of 67.6 percent of individuals in the prime working age group (25 to 54 years) and represented 42.1 percent of the increase in the employed labour force. Within the youth age group (14 to 24 years), employment increased by 7.2 percent or 12,200 individuals. There were 5,400 fewer persons working part-time while desiring additional hours than in July 2024.

The industry group that led the improvement in employment was ‘Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles’ (increasing by 8,800 individuals), while the occupation group ‘Managers’ recorded the largest increase in the number of persons employed (up by 10,300 individuals).

The number of persons outside the labour force in July 2025 fell by 28,700 individuals (4.1 percent) compared to July 2024, driven primarily by a decline of 19,100 in the number of males outside the labour force. The labour force participation rate stood at 69.1 percent, reflecting an improvement compared to 67.8 percent in July 2024. The participation rate for males and females in July 2025 were 75 percent and 63.4 percent, respectively.

The devastation caused by Hurricane Melissa is expected to impact employment adversely. Labour demand in the most affected parishes is expected to weaken, as a result of the closure of some businesses due to infrastructure damage and loss of power. Similarly, a reduction in labour supply is expected, occasioned by the dislocation of working age individuals who experienced significant damage to their homes.

Figure 2(i): Unemployment Rate April 2024 to July 2025



Source: STATIN

Monetary Developments - First Half FY 2025/26

The Bank of Jamaica (BOJ) reduced the policy rate (the rate offered to deposit-taking institutions (DTIs) on overnight placements with Bank of Jamaica) by 25 basis points (bps) from 6.0 per cent to 5.75 per cent per annum during the first quarter of FY 2025/26. The policy decision, which took effect on May 21, 2025, was predicated on the Bank's assessment that inflation was stable and relatively low - anchored by falling energy prices (particularly for crude oil) and fairly stable inflation expectations, following elevated levels due to higher food inflation occasioned by Hurricane Beryl during the second quarter of FY 2024/25. Since then, the BOJ has maintained its monetary policy stance, within the context of uncertainties about developments in the global economy notwithstanding the relatively stable domestic macroeconomic environment during the first half of FY 2025/26 and healthy international reserves.

The moderate easing of the policy stance of the Central Bank relative to the first half of FY 2024/25 has influenced a downward movement in market rates. Compared to April to September 2024, the average minimum domestic currency interbank rate, overnight private money market rate (PMMR) and the 30-day PMMR declined by 218 bps, 150 bps and 251 bps, respectively, for the review period. Similarly, the average maximum domestic currency interbank rate, overnight PMMR and 30-day PMMR declined by 268 bps, 181 bps and 226 bps, respectively.

Additionally, the average yields on the GOJ 90-day, 180-day and 270-day Treasury bills for April to September 2025 declined by 276 bps, 277 bps and 318 bps to 5.31 percent, 5.39 percent and 5.82 percent, respectively, compared to the corresponding period of 2024.

Demand for private sector credit and advances improved marginally during the first half of FY 2025/26, with loans and advances expanding by 7.7 percent relative to the similar period of the previous fiscal year, led by growth in credit to the entertainment and mining sectors.

Inflation

The All Jamaica ‘All Division’ Consumer Price Index increased from 140.5 at end-September 2024 to 143.5 at end-September 2025, representing a point-to-point inflation of 2.1 percent. Headline inflation remained within the inflation target band of 4.0 percent to 6.0 percent throughout the first half of FY 2025/26. Over the twelve-month period, the inflation rate was heavily influenced by ‘Education Services’ (up 9.6 percent) ‘Housing, Water, Gas, Electricity, & Other Fuels’ (up 4.8 percent) and, to a lesser extent, ‘Food and Non-Alcoholic Beverages’ (up 0.7 percent).

Inflation for the calendar year to end-September was 0.3%, and 1.6% for the fiscal year to September 2025.

Exchange Rate

The weighted average selling rate of the US dollar at end-September 2025 was J\$161.22, compared to the end-September 2024 rate of J\$158.70, representing a depreciation of 1.6 percent. This represents a deceleration in the pace of depreciation compared to the 2.1 percent recorded for the previous twelve months. The relative stability of the exchange rate demonstrates the Central Bank’s commitment to achieving and maintaining low and stable inflation under a managed flexible exchange rate regime.

The twelve-month depreciation at end-September 2025 was influenced by higher-than-usual volatility in the foreign exchange market, particularly in April and May 2025. This was attributed to factors including global economic uncertainty, the Jamaica dollar breaching the J\$160.00 to US\$1.00 exchange rate threshold, and a narrowing of the gap between domestic and external interest rates. In response, the Central Bank actively intervened in the foreign exchange market selling a total of US\$345.0 million during the first quarter of FY 2025/26 to ease demand pressures. The BOJ, through its Foreign Exchange Intervention Trading Tool B-FXITT continues its liquidity management operations in the foreign exchange market to temper demand and supply imbalances.

International Developments

Global Outlook

Global economic growth is projected at approximately 3.0 percent in 2025, with a modest rebound to around 3.1 percent in 2026. While this reflects a slight upgrade from earlier estimates, growth remains subdued relative to historical averages, reflecting the persistent drag of elevated interest-rates, structural headwinds, and policy constraints. Growth in advanced economies is expected to remain constrained, hovering around the 1.5 percent to 1.8 percent range, underscoring the limited room for significant acceleration under current monetary and fiscal conditions. Emerging market and developing economies (EMDEs) are anticipated to grow somewhat faster, just above 4.0 percent, but the momentum is modest and subject to external vulnerabilities.

Output growth in the Latin America and Caribbean region is projected to decelerate, with forecasts of roughly 2.0 percent in 2025 (down from 2.4 percent in 2024) for the region as a whole. The region's slowdown reflects weaker external demand, elevated trade and financing risks, and country-specific headwinds. Within the region, the Caribbean (excluding Guyana) is estimated to grow around 1.8 percent in 2025, with further moderation expected into 2026.

Inflation pressures are gradually easing globally, though they remain elevated and uneven across regions, compelling central banks to remain cautious. Commodity price upticks, especially in oil and key non-fuel inputs, pose upside risks to inflation, which in turn may restrict monetary easing and keep growth constrained.

Risks remain skewed towards the downside. Key threats include renewed inflation surges, sharp slowdowns in major trading partners, increased financing costs, trade-policy disruptions, and climate-related shocks, particularly in small open economies dependent on trade and tourism. For the Latin America and Caribbean region, these risks are magnified by relatively weak investment, high debt burdens, and export-exposure to external shocks.

Macroeconomic Outlook - FY 2025/26 and the Medium Term (to FY 2028/29)

Jamaica's economy was on an upward trajectory prior to Hurricane Melissa, with real GDP expanding in the first quarter and stronger growth estimated for the second quarter of FY 2025/26. However, the devastating impact of the hurricane is expected to derail the economic progress made following the passage of Hurricane Beryl in 2024. As a result of the significant damage to infrastructure and the destruction of productive assets in key sectors, including agriculture and tourism, the economy is now projected to contract within the range of

3 percent to 6 percent in FY 2025/26 and the medium term forecast has been revised compared to the profile presented in the FY 2025/26 Fiscal Policy Paper in February 2025.

Real GDP is currently projected to contract by 4.3% for FY 2025/26, compared to the growth forecast of 2.2% presented in the annual Fiscal Policy Paper in February 2025. Inflation is expected to rise sharply over the remainder of the fiscal year, exceeding the target range of 4 percent to 6 percent. The rise in the inflation is expected to be transitory, however, with moderation projected over the medium term.

Over the medium term, real GDP growth is expected to average in the range of 1.0 percent to 2.0 percent as the economy recovers from the large contraction projected for the current fiscal year. Inflation is expected to stabilize within the target range of 4.0% to 6.0%. In the external sector, the current account (as a percentage of GDP) is projected to remain in surplus, averaging about 0.7% over the three years following FY 2025/26.

Table 2C: Medium Term Macroeconomic Profile

Macroeconomic Variables	2023/24 Actual	2024/25 Prov.	2025/26 Est.	2026/27 Proj.	2027/28 Proj.	2028/29 Proj.
Nominal GDP (J\$bn)	3,339.1	3,495.1	3,486.5	3,736.1	4,012.7	4,255.4
Nominal GDP growth rate(%)	10.4	4.7	-0.2	7.2	7.4	6.0
Real GDP growth rate (%)	2.2	-0.6	-4.3	0.7	3.1	1.0
Inflation: Annual Pt to Pt (%)	5.6	5.0	9.5	5.0	5.0	5.0
Interest Rates:						
180-day Treasury Bill (end-period)	8.1	5.7				
90-day Treasury Bill (end-period)	8.0	5.7				
Average Selling Exchange Rate (J\$=US\$1)	155.6	157.6				
NIR (US\$m)	5,137.3	5,878.4	5,789.6	6,136.7	6,668.0	7,122.9
Current Account (% GDP)	3.1	1.6	0.2	0.7	0.7	0.8
Oil Prices (WTI) (Average US\$/barrell)	77.8	74.4	62.4	60.1	60.0	62.5

Source: BOJ, STATIN

PART 3

FISCAL MANAGEMENT STRATEGY

Background

The Government of Jamaica (GOJ) remains firmly committed to fiscal responsibility, even as the island navigates evolving domestic and international challenges. From April through September 2025, considerable developments have shaped Jamaica's macroeconomic environment and fiscal policy decisions. The rebounding of several sectors adversely affected by the hydrological systems experienced in FY 2024/25, easing monetary policy and inflationary pressures, disruptions to international supply chains and trade, political instability and growing climate change demands have all contributed to Jamaica's fiscal outlook. Despite the potential impacts of the aforementioned developments, the GOJ is resolute in its efforts to fortify institutional capacity, enhancing climate resilience, and advancing financial sector oversight.

Jamaica's real GDP has expanded by an estimated 2.8 percent since the beginning of the fiscal year (April – September 2025), supported by strong recoveries in agriculture and tourism, even as mining and quarrying activities remain subdued. Inflationary pressures moderated significantly, with annual point to point headline inflation falling from 5.0 percent in March to 2.1 percent in September driven largely by lower food and fuel prices. The Bank of Jamaica eased its monetary policy stance, reducing its policy rate to 5.75 percent. External accounts remain supported by remittances and tourism inflows, although the current account surplus is expected to narrow due to trade pressures. The labour market also strengthened, with unemployment declining to a record low of 3.3 percent in April 2025, and maintained at the same rate in July 2025.

The GOJ has also maintained fiscal discipline while adapting to new spending priorities. Jamaica's debt-to-GDP ratio was revised downward to 62.4 percent for FY 2024/25, consequent on the revision to GDP by STATIN.

Global developments continue to weigh heavily on Jamaica's macroeconomic and fiscal outlook. Despite a 0.2 percentage point upward revision to the IMF's global growth projection to 3.0 percent, elevated uncertainty persists. Volatile trade policies have dampened activity in advanced economies, particularly the United States - Jamaica's largest tourism and remittance market and could potentially constrict global growth capacity. Geopolitical tensions in Europe and the Middle East continue to disrupt trade, supply chains and energy markets. At the same time, lower global oil prices have helped to reduce domestic transport and energy costs, contributing to disinflation.

Climate-related risks persist; however, the GOJ is steadfast in its commitment to climate change mitigation and adaptation to mitigate potential fiscal impacts. The GOJ has strengthened fiscal resilience through its multilayered disaster risk financing framework, including the Contingencies Fund, the National Natural Disaster Fund, and the Caribbean Catastrophe Risk Insurance Facility. These instruments remain critical in safeguarding the macro-fiscal gains achieved over the past decade. The on-going efforts towards the establishment of a Climate Finance Unit within the Ministry of Finance and the Public Service will facilitate greater access to financial resources necessary to bolster climate change resilience.

Looking ahead, fiscal policy will remain underpinned by fiscal responsibility, balancing the need to support sustainable growth with the imperative of reducing debt and strengthening climate and economic resilience.

The Fiscal Management Strategy provides an assessment of the fiscal performance for FY 2024/25, highlights key developments for FY 2025/26, and presents the current medium term fiscal profile. It reports on the following:

- An assessment of FY 2024/25 performance;
- A summary of the FY 2025/26 Budget;
- A review of the Central Government's Performance: April - September 2025; and
- A revised Medium Term Fiscal Outlook.

Central Government Performance: FY 2024/25 Outturn

The full-year fiscal performance for FY 2024/25 improved relative to the original budget. On the contrary, there was an underperformance when compared to the Third Supplementary Estimates presented in the February 2025 Fiscal Policy Paper (see Table 3A). Central Government Operations for FY 2024/25 generated a fiscal surplus of \$7.7bn (0.2 percent of GDP), 22.2 percent lower than originally budgeted and 4.5 percent below Third Supplementary Estimates². The Primary Balance of \$187.7bn (5.7 percent of GDP) exceeded originally approved projections by 2.2 percent but was marginally short of revised estimates by 1.4 percent. Despite not achieving the fiscal surplus target of 0.3 percent of GDP, no upward adjustment was required for FY 2025/26 given that the cumulative deviations from the required balance (as per the Fiscal Rules) remained positive and did not breach the thresholds specified in Section 48CA (1) of the FAA Act.

Table 3A: FY 2024/25 Performance (\$mn)

Item	Original (Budget) adjusted for Revenue Measures	Third Supplementary Estimates	Actual	Difference between the Original and Actual	Diff %	Difference between the 3rd Supplementary Estimates and Actual	Diff %
Revenue & Grants	1,033,594.6	1,076,686.1	1,058,575.6	24,981	2.4%	(18,111)	-1.7%
Tax Revenue	899,232.8	896,957.8	882,755.8	(16,477)	-1.8%	(14,202)	-1.6%
Non-Tax Revenue	128,844.6	174,017.2	170,224.0	41,379	32.1%	(3,793)	-2.2%
Bauxite Levy	887.5	0.0	0.0	(888)	-100.0%	0.0	-
Capital Revenue	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%
Grants	4,629.7	5,711.1	5,595.8	966	20.9%	(115)	-2.0%
Expenditure	1,023,725.1	1,068,652.5	1,050,899.6	27,174	2.7%	(17,753)	-1.7%
Non-Debt Recurrent	769,896.4	824,569.5	813,435.1	43,539	5.7%	(11,134)	-1.4%
Interest	173,828.7	182,346.8	180,008.7	6,180	3.6%	(2,338)	-1.3%
Capital	80,000.0	61,736.2	57,455.9	(22,544)	-28.2%	(4,280)	-6.9%
Fiscal Balance	9,869.5	8,033.6	7,675.9	(2,194)	-22.2%	(358)	-4.5%
Debt Service	317,339.6	317,370.4	301,948.1	(15,392)	-4.9%	(15,422)	-4.9%
Interest	170,678.8	170,756.4	170,728.1	49	0.0%	(28)	0.0%
Principal	146,660.9	146,614.1	131,220.0	(15,441)	-10.5%	(15,394)	-10.5%
Overall Balance	-101,527.1	-42,350.7	-22,662.7	78,864	77.7%	19,688	46.5%
Primary Balance	183,698.2	190,380.4	187,684.7	3,986	2.2%	(2,696)	-1.4%

Source: MoFPS

² The Revised Budget/Estimates refers to the Third Supplementary Estimates that were approved in February 2025 (see Table 3A)

Table 3B: FY 2024/25 Performance as a percentage of GDP

	Original (Budget) adjusted for Revenue Measures	Third Supplementary Estimates	Actual	Difference (PP) between the Original and Actual	Difference (PP) between the 3rd Supplementary Estimates and Actual
Revenue & Grants	31.4%	33.7%	30.3%	-1.2%	-3.4%
Tax Revenue	27.3%	28.0%	25.2%	-2.1%	-2.8%
Non-Tax Revenue	3.9%	5.4%	4.9%	0.9%	-0.6%
Bauxite Levy	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Revenue	0.0%	0.0%	0.0%	0.0%	0.0%
Grants	0.1%	0.2%	0.2%	0.0%	0.0%
Expenditure	31.1%	33.4%	30.0%	-1.1%	-3.4%
Non-Debt Recurrent	23.4%	25.8%	23.3%	-0.1%	-2.5%
Interest	5.3%	5.7%	5.1%	-0.1%	-0.6%
Capital	2.4%	1.9%	1.6%	-0.8%	-0.3%
Fiscal Balance	0.3%	0.3%	0.2%	-0.1%	0.0%
Debt Service	9.6%	9.9%	8.6%	-1.0%	-1.3%
Interest	5.2%	5.3%	4.9%	-0.3%	-0.5%
Principal	4.5%	4.6%	3.8%	-0.7%	-0.8%
Overall Balance	-3.1%	-1.3%	-0.6%	2.4%	0.7%
Primary Balance	5.6%	6.0%	5.4%	-0.2%	-0.6%

Revenue & Grants

Actual collections for FY 2024/25 totaled \$1,058.6bn, representing a \$24.9bn surplus (2.4 percent) relative to the original budget but a \$18.1bn (1.7 percent) shortfall compared to the Third Supplementary Estimates. This shortfall was largely attributed to the under-performance of Tax Revenue by \$14.2bn (1.6 percent) and to a lesser extent Non-Tax Revenue by \$3.8bn (2.2 percent). All sub-categories within Tax Revenue generated outturns below projections: Income & Profits, Production & Consumption and International Trade (below by \$5.7bn, \$3.9bn and \$4.6bn, respectively).

Table 3C: FY 2024/25 Major Contributing Tax Type Performances (\$mn)

	Original (Budget) adjusted for Revenue Measures	Third Supplementary Estimates	Actual	Difference between the Original Budget and Actual	Diff %	Difference between the 3rd Supplementary Estimates and Actual	Diff %
<i>Other companies</i>	120,262.3	112,136.4	102,700.4	(17,562)	-14.6%	(9,436)	-8.4%
PAYE	129,152.7	145,762.9	146,677.6	17,525	13.6%	915	0.6%
<i>Tax on Interest</i>	36,252.3	37,871.3	41,700.6	5,448	15.0%	3,829	10.1%
SCT (local)	24,832.9	22,775.9	20,931.6	(3,901)	-15.7%	-1,844.3	-8.1%
<i>Education Tax</i>	53,620.8	54,801.0	55,481.2	1,860	3.5%	680	1.2%
GCT (local)	172,902.5	168,273.9	166,323.8	(6,579)	-3.8%	(1,950)	-1.2%
<i>Customs Duty</i>	65,257.0	66,734.9	66,611.2	1,354	2.1%	(124)	-0.2%
Travel Tax	34,138.6	29,238.8	28,444.9	(5,694)	-16.7%	(794)	-2.7%
<i>GCT (imports)</i>	125,459.6	126,649.2	126,334.3	875	0.7%	(315)	-0.2%
SCT (imports)	74,217.2	73,918.1	70,680.7	(3,537)	-4.8%	(3,237)	-4.4%

Source: MoFPS

The tax types indicated in table 3C account for the largest contributions to the Tax Revenue outturn for FY 2024/25 and together accounted for 93.6 percent (\$825.9bn) of the overall total. The projections for these tax types were revised in the Third Supplementary Estimates relative to the original budget in accordance with macroeconomic expectations. Notable performances relative to the Revised Estimates included Other Companies (CIT down 8.4 percent), Tax on Interest (up 10.1 percent), local SCT (down 8.1 percent), local GCT (down 1.2 percent) and imported SCT (down 4.4 percent). Several companies slatted to remit corporate income tax were delayed in payments contributing to the fallout generated by Other Companies while collections from Tax on Interest were bolstered by increases in time and savings deposits. A year-over-year 13.5 percent decline in the Producer Price Index for Refined Petroleum Products as well as down time experienced by the Petrojam Ltd contributed considerably to the shortfall of local SCT. The continued impact of Hurricane Beryl negatively impacted local GCT receipts. SCT (Imports) underperformed, largely attributed to the lower imports of petroleum products.

In comparison to the original budget, notable shortfalls were generated by tax types including: Other Companies tax (down 14.6 percent), local SCT (down 15.7 percent) and Travel Tax (down 16.7 percent). Travel Tax receipts were tempered by an overall reduction in visitor arrivals when compared to FY 2023/24. In contrast, considerable surpluses were recorded by PAYE and Tax on Interest of 13.6 percent and 15.0 percent, respectively. Receipts from PAYE were bolstered

by improved employment conditions as well as finalized negotiated increases under the GOJ's new compensation system. Tax on Interest was positively impacted by the 6.4 percent growth in total deposits held (all categories of time deposits grew).

Non-Tax Revenue of \$170.bn was 32.1 percent better than originally budgeted but marginally below the revised estimates by 2.2 percent. The positive performance relative to the original budget reflected higher than projected inflows related to the securitization of revenue due to the GOJ from the Norman Manley International Airport (NMIA), financial distributions, the Public Sector Pension Scheme and miscellaneous revenue. There were no Bauxite Levy collections for the period due to waivers granted to entities from which the inflows were expected. Grants' inflows were 20.9 percent higher than originally budgeted due to higher than programmed disbursements but 2.0 percent less than revised estimates, partially impacted by lower than projected exchange rates. There was no Capital Revenue collection for FY 2024/25.

Expenditure

Central Government Expenditure (above-the-line spending) was \$17.8bn lower than programmed, totaling \$1,050.9bn. This primarily resulted from a shortfall in Recurrent Expenditure of \$13.5bn (or 1.3 percent), mainly due to staffing attrition, procurement and programme implementation delays as well as lower than budgeted exchange rates. Capital expenditure was lower than programmed by \$4.3bn due to slower-than-planned project execution, impacted by procurement and staffing challenges.

FY 2025/26 Original Budget

In compliance with the fiscal rule legislation, the Central Government Approved budget for FY 2025/26 was crafted with the aim of achieving a fiscal balance equivalent to 0.0 percent of GDP, and a corresponding primary surplus equivalent to 5.1 percent of GDP. Achieving a Public Debt-to-GDP ratio of no more than 60.0 percent by end-FY 2027/28 remains a key objective of the GOJ, in pursuit of fiscal and debt sustainability.

Revenue & Grants

Revenue & Grants for FY 2025/26 were programmed to total \$1,096.1bn. This projection reflected a \$37.5bn (or 3.5 percent) increase over the outturn of FY 2024/25 (see Table 3D). The increase largely reflected projected improvements in Tax Revenue and Grants of 7.6 percent and 6.5 percent, respectively.

The growth projection for Tax Revenue was underpinned by the macroeconomic framework that reflected an improved outlook relative to the previous fiscal year, severely impacted by hydrological events.

The projected increase in Grants largely reflects expected international assistance for the implementation of several social programmes. Non-Tax Revenue was reduced relative to the actual outturn of FY 2024/25 consequent on the considerably smaller securitization transaction programmed for FY 2025/26.

Bauxite Levy of \$0.8bn was programmed to capture expected inflows from the stabilization of the industry and similarly to FY 2024/25, there are no expected inflows from Capital Revenue.

Revenue Measures

Revenue measures were announced during the budget presentation by the Minister of Finance in March 2025, following the February tabling of the Fiscal Policy Paper. The revenue measures reflected a tax revenue loss of \$9.2bn.

The tax measures announced included:

- i) Increase in the General Consumption Tax Registration Threshold from JM\$10 million to \$15 million.
- ii) Reform of the General Consumption Tax (GCT) on the Supply of Electricity to Residential Customers.
- iii) Accelerated Capital Allowances for new investments in industrial buildings, machinery, equipment and information technology undertaken in years of assessment 2025 and 2026.
- iv) Increase in the Annual General Personal Income Tax (PIT) Threshold from \$1,700,088 to JM\$2,003,496 over a 3-year phased implementation.
- v) Reduction of Ordinary Dividend Income Tax Rate for Non-Residents

Subsequent to the loss projected from the revenue measures, a First Supplementary Estimate (FSE) was passed in July 2025 with an upward revision of \$9.6bn to Non-Tax revenue, effectively recovering the projected loss. Tax Revenue was also increased by \$1.1bn. Details of the First Supplementary Estimates are reflected in Table 3D below.

Table 3D: FY 2025/26 Revenue & Expenditure Budgets (Approved and FSE) vs FY 2024/25 Actual (\$mn)

Item	Actuals FY 2024/25	Approved Budget FY 2025/26	First Supplementary Estimates FY 2025/26	Difference between the Appr. Budg FY 2025/26 and Actuals FY 2024/25	Diff %	Difference between the FSE FY 2025/26 and Actuals FY 2024/25	Diff %
Revenue & Grants	1,058,575.6	1,096,083.1	1,106,789.1	37,508	3.5%	48,214	4.4%
Tax Revenue	882,755.8	949,493.9	950,593.9	66,738	7.6%	67,838	7.1%
Non-Tax Revenue	170,224.0	139,816.4	149,422.4	(30,408)	-17.9%	(20,802)	-14.9%
Bauxite Levy	0.0	812.0	812.0	812	-	812	100.0%
Capital Revenue	0.0	0.0	0.0	0.0	0.0%	0.0	0.0%
Grants	5,595.8	5,960.8	5,960.8	365	6.5%	365	6.1%
Expenditure	1,050,899.6	1,095,302.8	1,105,791.9	44,403	4.2%	54,892	5.0%
Non-Debt Recurrent	813,435.1	855,174.7	870,574.7	41,740	5.1%	57,140	6.7%
Interest	180,008.7	177,532.5	177,532.5	(2,476)	-1.4%	(2,476)	-1.4%
Capital	57,455.9	62,595.6	57,684.7	5,140	8.9%	229	0.4%
Fiscal Balance	7,675.9	780.3	997.2	(6,896)	-89.8%	(6,679)	-855.9%
Debt Service	301,948.1	162,746.2	162,746.2	(139,202)	-46.1%	(139,202)	-85.5%
Interest	170,728.1	59,574.7	59,574.7	(111,153)	-65.1%	-111,153.3	-186.6%
Principal	131,220.0	103,171.5	103,171.5	(28,049)	-21.4%	-28,048.5	-27.2%
Overall Balance	-22,662.7	-578.0	-361.1	22,085	97.4%	22,302	3858.6%
Primary Balance	187,684.7	178,312.9	178,529.8	(9,372)	-5.0%	(9,155)	-5.1%

Source: MoFPS

Expenditure

The FY 2025/26 projection for Expenditure (above-the-line) was \$1,095.3bn, 4.2 percent above actual spending for the previous fiscal year. This constitutes an amount of \$359.4bn for Programme spending (down by 2.0 percent); \$495.8bn for Compensation of Employees (up by 11.0 percent); \$177.5bn for Interest Payments (down by 1.4 percent) and \$62.6bn for Capital Expenditure (down by 8.9 percent). First Supplementary Estimates revised above-the-line Expenditure to \$1,105.8bn, a \$15.4bn increased to Recurrent Expenditure but a reduction of \$5.0bn to Capital Expenditure.

Central Government Performance: April – September 2025 (Actuals vs First Supplementary Estimates)

The main fiscal indicators of the Central Government Operations have continued to demonstrate robust performance over the first six months of FY 2025/26. The fiscal deficit for the period under review was \$15.5bn, 60.7 percent better than FSE and improved by \$39.1bn (or 71.6 percent) relative to April – September 2024. The primary surplus of \$71.3bn surpassed revised estimates by \$19.0bn and was \$35.1bn higher than the surplus achieved for the comparable period of the previous fiscal year. The outturn, relative to budget, resulted from higher than

projected Revenue & Grants collections and considerably lower than programmed Expenditures (above-the-line).

Revenue & Grants Outturns

Revenue & Grants for the April to September 2025 period amounted to \$537.1bn, \$3.8bn (or 0.7 percent) above revised estimates. Tax Revenue, the main contributor to the category, was \$6.8bn better than projected, totaling \$436.9bn. Inflows from Non-Tax Revenue and Grants were lower than target by \$1.0bn and 2.1bn, respectively. There were no inflows from Bauxite Levy and Capital Revenue as programmed. When compared to the corresponding period of FY 2024/25, Revenue & Grants collections were higher by \$84.4bn (or 18.6 percent).

Tax collections grew by \$28.1bn relative to the FY 2024/25 April – September period outturn of \$408.8bn. The better-than-expected year-to-date performance of Tax Revenue reflects higher than programmed collections from both Principal Revenue Receivers (PRRs), Tax Administration Jamaica (TAJ) and the Jamaica Customs Agency (JCA). All categories of Tax Revenue generated inflows that were higher than projected.

Income & Profits recorded a surplus of \$0.6bn compared to the projection of \$136.7bn. This outturn surpassed collections for the similar period of the previous fiscal year by \$7.9bn (or 6.1 percent). The \$0.9bn surplus generated by PAYE, the largest contributor to the category, combined with those of Other Companies (up \$0.5bn) and Tax on Interest (up \$1.0bn), were sufficient to moderate the considerable shortfalls from tax types, Bauxite Levy (down \$0.6bn) Tax on Dividends (down \$0.3bn) and Other individual taxes (down \$1.0bn). Inflows from Other Companies benefitted from marginal growth in economic activity over the first two quarters of FY 2025/26. PAYE receipts were bolstered by higher collections from within the financial intermediate sector and the Real Estate Renting & Business Activities sector. The surplus in Tax on Interest can be attributed to an overall increase in local currency deposits held year-over-year, specifically 10.5 percent, 9.9 percent and 19.8 percent in demand, savings and time deposits, respectively. Lower refunds than projected also bolstered this tax type.

The shortfall in Bauxite Levy resulted from compliance issues from expected entities while Tax on Dividend was below projections due to lower than anticipated dividend declarations and yields. Receipts from Tax on Dividend was also be impacted by the recent reduction of the Ordinary Dividend Income Tax Rate for non-residents. Other individual tax receipts were constricted by lower voluntary contributions.

The year-over-year growth in Income & Profits collections of 6.1 percent can be attributed to increases in the profitability of local companies, investment activities including stock market trading and other securities, the resumption of some mining activities and incremental increases within the Public Sector. The shortfalls in tax types Tax on Dividend and Other Individuals that moderated the surplus can be attributed to a reduction in dividend declarations and yields and voluntary contributions.

Production & Consumption inflows exceeded the budget of \$137.2bn by \$2.4bn (or 1.7 percent). This category of Tax Revenue has been plagued by fluctuating levels of demand, costs and availability of production inputs, hotel and restaurant demand, construction, compliance, climate, environmental and geo-political related vulnerabilities. Notwithstanding these challenges, above-budget performances were generated by several tax types including Minimum Business Tax (up 112.9 percent), Education Tax (up 2.3 percent), local GCT (up 0.2 percent) and Stamp Duty (up 23.2 percent), in accordance with the growth recorded in real value added since the beginning of the fiscal year. Both Minimum Business Tax (MBT) and Education Tax were strengthened by the payment of arrears from a few entities. The surplus from local GCT was supported by increases in the costs for commodities within the Transport, Storage and Communication industry, fruits, ground provisions, accommodation and restaurant services, textbooks and stationery. Extraordinary transactions and increases in mortgage and auto-loan volumes contributed to the above-budget performance of Stamp Duty. Considerably less than projected inflows were generated by tax types, Other Licenses (down 10.0 percent) and Telephone Call Tax (down 8.5 percent). These lower-than-expected inflows can be attributed to delayed license payments due to the Spectrum Authority and a reduction in the volume and duration of calls made over the period under review.

Relative to outturns of April – September 2024, Production & Consumption receipts grew by \$7.8bn (or 5.9 percent). The year-over-year growth can be attributed to increased production in refined petroleum products, increased participation in lottery activities, education arrears payments, compliance with contractor's levy payments, rising commodity prices and sales and an uptick in processed loans. This surplus was tempered by declines in receipts from several tax types including Minimum Business Tax (down 17.6 percent), Other licenses (down by 38.4 percent), Quarry Tax (down by 20.7 percent) and Telephone Call Tax (down by 11.5 percent). These shortfalls could be attributed to reducing MBT arrears and non-compliance of some Telecommunication and Mining & Quarrying operators.

International Trade tax collections were \$3.8bn above revised estimates and amounted to \$160.1bn. Imported GCT accounted for the largest variance, a surplus of \$1.9bn and was bolstered by higher trade volumes in motor vehicles, refrigerators, sparkling wines and optic fibre cables etc. Custom Duty collections also surpassed the \$34.7bn projection by \$1.0bn consequent on increased motor vehicles, other food preparation, wooden furniture of a kind used in the bedroom, building cement, refrigerator and washing machine purchases. Inflows from International Trade grew by 8.4 percent relative to outturns over the same period of FY 2024/25. Factors that contributed to the overall growth of the category include increases in tourist arrivals, trade policies, values and volumes and tax policies as well as movements in the exchange rate.

Non-Tax Revenue of \$99.1bn for the period was marginally below revised estimates by 1.0 percent but surpassed FY 2024/25 outturns by \$58.8bn (or 146.1 percent). Inflows from De-earmarked entities, Petro Caribe Development Fund repayments and miscellaneous revenue were all lower than projected. Receipts included \$58.7bn in inflows from the securitization of revenue due to the GOJ from the Sangster International Airport (SIA). Year-to-date Grants of \$1.1bn were \$2.1bn (or 66.0 percent) below projections and can be attributed to the current slows in implementing and executing several programmes and capital expenditure projects. Relative to outturns of the corresponding period of FY 2024/25, Grants declined by \$2.5bn (or 70.5 percent). Collections from Bauxite Levy activities were not projected due to the current waivers granted to entities within the industry. There was no Capital Revenue for the period, consistent with revised estimates.

Expenditure

Expenditure (above-the-line spending), which totaled \$552.5bn, was \$20.2bn (or 3.5 percent) less than budgeted, largely on account of shortfalls in both Recurrent and Capital Spending, down \$11.8bn and \$8.3bn, respectively. Relative to FY 2024/25, total Expenditure (above-the-line) for the April to September 2025 period was \$45.3bn (or 8.9 percent) higher, reflecting increased Recurrent spending. All areas of spending were broadly in-line with projections except Capital Expenditure.

Programme spending during the review period amounted to \$191.5bn, \$2.8bn less than projected but grew relative to spending during the similar period of FY 2024/25 by \$20.6bn consequent on increases in several social benefits like the expansion of the Programme for Advancement Through Health and Education (PATH) benefits, the implementation of the Housing, Opportunity, Production and Employment (HOPE) programme and public pension support. Compensation of Employees totaled \$255.1bn, slightly below budget by \$4.1bn.

This reflected a 15.5 percent increase relative to the same period of FY 2024/25 and could be attributed to the recent incremental movement of civil servants along their respective salary scales and the increase in the Annual General Personal Income Tax Threshold. Interest payments between April – September 2025 were \$5.0bn lower than budget and totaled \$86.8bn. This below budget performance was driven by a \$7.0bn shortfall in External payments consequent to a combination of lower than projected exchange rates at the time of payment, buffers included for exchange rate volatility for World Bank and IMF payments and contingent allotments for any new multi-lateral loans. The shortfall was tempered by the \$2.1bn in excess domestic spending driven by the upward revisions to the nominal value of several benchmark investment notes. Interest payments declined relative those of April – September 2024 by \$3.9bn.

Capital spending for the review period amounted to \$19.2bn, reflecting a shortfall of \$8.3bn relative to budget due to slower-than-planned paces of project execution, personnel issues and procurement delays. Contrastingly, when compared to outturns of FY 2024/25, Capital expenditure declined by \$5.5bn (or 22.3 percent). This fall was in accordance with the completion of some projects.

Amortization payments of \$102.8bn were broadly in-line with budget (down 1.1 percent) but showed an increase in debt servicing of \$10.6bn when compared to April – September 2024. The shortfall for the period under review can be attributed to a deferred payment to the China EXIM Bank and contingencies made for liability management purposes. Relative to amortization payments between April – September 2024, domestic amortization grew by \$19.2bn while external amortization decreased by \$8.6bn. This performance alludes to the GOJ's efforts to enhance Jamaica's resilience through the restructuring of the country's existing debt profile to more domestic than external debt.

Financing

Loan receipts of \$89.0bn for the period under review exceeded revised estimates by \$16.4bn, consequent on increased domestic market engagement, specifically relating to benchmark investment notes, (\$17.4bn higher than projected). Loan receipts were \$4.7bn higher between April – September 2025 than the corresponding period of FY 2024/25 resulting from increased demand for GOJ benchmark investment notes. External receipts declined by 92.8 percent relative to the April – September 2024 outturn of \$46.0bn that was generated through disbursements under the IMF's Resilience and Sustainable Facility.

Other inflows surpassed the \$2.1bn projection by \$0.4bn and were bolstered by increased principal payments related to the Petro Caribe Development Fund and On-Lent loans. Compared to the similar period of FY 2024/25, other inflows declined by \$2.0bn and can be attributed to the tapering off of principal payments to the Petro Caribe Development Fund. Other outflows, associated with a loan to the Development Bank of Jamaica to on-lend to financing and micro-financing institutions as well as provide direct lending in support of Jamaica's strategic economic priorities including agriculture, manufacturing, ICT and mining and quarrying, totaled \$2.0bn for the April – September 2025 period.

Public Debt Stock

Jamaica's Public Debt stock at September 2025 stood at \$2,191.1bn, an increase of \$7.3bn or 0.3 percent over end-March 2025. This growth of the public debt was driven by Jamaica's Domestic debt stock that saw an uptick in marketable securities (of 3.3 percent) required to adequately support the financing requirements of the current fiscal year. Central Government Domestic debt of \$850.1bn grew by \$27.5bn while External debt of \$1,385.8bn fell by \$11.6bn compared to the stock at end-March 2025. Net Public Bodies debt fell by \$3.9bn, reducing the Total Specified Public Sector debt by \$40.5bn. The Government of Jamaica (GOJ) continues to prioritize the restructuring of the public debt portfolio to achieve a greater share of domestic borrowing, thereby reducing exposure to foreign exchange volatility and strengthening fiscal sustainability. Notably, at end-September 2025, the total Public Debt stock was \$58.8bn lower than the level recorded at end-September 2024, underscoring continued improvements in debt management.

Table 3E: Stock of Specified Public Sector Debt (J\$mnn)

	End-Mar 2025		End-Sep 2025		Change	
	J\$ millions	% Total Public Debt	J\$ millions	% Total Public Debt	J\$ millions	%
Total Specified Public Sector Debt	2,183,793.3	100.0%	2,191,138.4	100.0%	7,345.0	0.3%
Total Central Government Debt	2,219,990.2	101.7%	2,231,592.3	101.8%	11,602.1	0.5%
Central Government Domestic Debt	822,517.0	37.7%	850,463.8	38.8%	27,946.8	3.4%
<u>Marketable Securities</u>	<u>822,516.8</u>	<u>37.7%</u>	<u>850,463.6</u>	<u>38.8%</u>	<u>27,946.8</u>	<u>3.4%</u>
Bonds	812,216.8	37.2%	840,163.6	38.3%	27,946.8	3.4%
Treasury Bills	10,300.0	0.5%	10,300.0	0.5%	-	0.0%
<u>Loans (Commercial Banks, Public Sector)</u>	<u>0.2</u>	<u>0.0%</u>	<u>0.2</u>	<u>0.0%</u>	<u>-</u>	<u>0.0%</u>
Central Government External Debt	1,397,473.2	64.0%	1,381,128.5	63.0%	(16,344.7)	-1.2%
<u>Marketable Securities</u>	<u>758,683.4</u>	<u>34.7%</u>	<u>757,911.7</u>	<u>34.6%</u>	<u>(771.7)</u>	<u>-0.1%</u>
Bonds	758,683.4	34.7%	757,911.7	34.6%	(771.7)	-0.1%
<u>Loans</u>	<u>638,789.8</u>	<u>29.3%</u>	<u>623,216.8</u>	<u>28.4%</u>	<u>(15,573.0)</u>	<u>-2.4%</u>
Bilateral	91,412.6	4.2%	84,568.0	3.9%	(6,844.6)	-7.5%
OECD	1,359.4	0.1%	1,417.2	0.1%	57.8	4.3%
Non-OECD	90,053.3	4.1%	83,150.9	3.8%	(6,902.4)	-7.7%
Multilateral	547,377.2	25.1%	538,648.8	24.6%	(8,728.4)	-1.6%
IDB	219,584.0	10.1%	214,614.2	9.8%	(4,969.8)	-2.3%
IBRD	175,584.4	8.0%	176,431.7	8.1%	847.4	0.5%
Other	152,208.8	7.0%	147,602.9	6.7%	(4,605.9)	-3.0%
Non Central Government Debt	(36,196.9)	-1.7%	(40,453.9)	-1.8%	(4,257.0)	11.8%
Net Public Bodies	(36,196.9)	-1.7%	(40,453.9)	-1.8%	(4,257.0)	11.8%

Source: MoFPS

SELF-FINANCING PUBLIC BODIES OPERATIONS - FY 2025/26

April 1, 2025 – September 30, 2025

Summary

For the period April 1, 2025 to September 30, 2025, the group of self-financed public bodies (SFPBs) recorded an under-performance in operating revenues, which was offset by a reduction in operating costs, resulting in an overall reduction in the group's net operating results. The SFPBs earned \$290.4bn in operating revenues which was \$24.9bn lower than target, while incurring a reduction of \$23.9bn in operating costs to \$242.0bn. Consequently, the current balance (net operating results) for the SFPBs amounted to \$48.5bn, \$1.0bn below the budgeted \$49.5bn. The group's net flows from operations (operating balance) amounted to \$53.6bn (target: \$46.7bn) subsequent to net non-cash adjustments.

The Group implemented capital expenditure of \$25.5bn, which was \$21.5bn below the target of \$47.0bn. The reduced capital expenditure coupled with improved net operating results, were the chief contributors to the group of entities recording an overall balance surplus of \$38.4bn, which was \$37.3bn more than the budgeted surplus of \$1.1bn.

Highlighted Performance

The main contributors to the higher than budgeted overall balance outcome were the National Housing Trust (NHT - \$14.4bn), the National Insurance Fund (NIF - \$11.6bn) and the Airport Authority of Jamaica (AAJ - \$4.2bn).

During the period, the NHT recorded a higher than projected overall balance outcome of \$15.4bn due primarily to the delay in the commencement of construction on a number of housing solutions. During the period, the NHT commenced construction on 3,340 housing units (3,394 units – budgeted). Additionally, the NHT reported completion of housing units totalling 709 (1,070 units – budgeted) and created 1,982 mortgages (4,526 mortgages – budgeted) during the period. The impact of the aforementioned delays contributed to a negative variance of \$7.6bn in capital expenditure with total spend amounting to \$16.4bn relative to \$24.0 budgeted. Additionally, NHT's capital revenue of \$18.9bn was higher than budget by \$1.9bn due to improved mortgage collections during the period.

The NIF reported an \$11.6bn improvement on its overall balance target of \$7.0bn. This was driven predominantly by a \$6.0bn net improvement in the realized gain on its holding of investments. Additionally, the NIF reported a \$4.7bn improvement in the contribution collection during the period.

AAJ achieved an overall balance surplus of \$3.7bn, outperforming its targeted deficit of \$0.5bn by \$4.2bn. This was due to a combination of an improved operating surplus by \$2.0bn and an underspend in capital expenditure of \$1.5bn. The improvement in operating surplus was driven primarily by additional concession fee inflows realised in the first quarter of the financial year, which was the main contributor to a \$3.4bn improvement in its total revenues, which was negated by a \$1.4bn increase in its operating costs.

Public Bodies Net Debt – September 30, 2025

The group of SFPBs reported a net investment of \$38.6bn as at September 30, 2025 which represents a \$15.8bn decline from the projected net investment of \$54.4bn. The SFPBs reported total borrowing amounting to \$196.7bn (\$189.8bn – budgeted), of which \$129.1bn (\$123.8bn budgeted) is secured from the Central Government/other Public Bodies. This was offset by total investment with the Central Government amounting to \$106.2bn (\$124.1bn – budgeted).

Corporation (UDC). The over 90-day domestic arrears for the seven entities totalled \$7.5bn as at September 30, 2025.

Table 1: SFPBs' Performance for the Six (6) Months to September 2025 (in millions of dollars)

PUBLIC BODIES - (SFPBs)			Projected Sep-25	Actual Sep-25	Proj vs Actual Variance
Statement 'A' Flow of Funds					
1	Current Revenue		315,363.20	290,445.13	(24,918.07)
2	Current Expenses		(265,839.60)	(241,956.83)	23,882.77
3	Current Balance		49,523.60	48,488.30	(1,035.29)
4	Adjustments		(2,779.98)	5,111.59	7,891.57
	Change in Accounts Receivable/Payable		(45.34)	(1,541.73)	(1,496.39)
	Items not requiring outlay of cash:		0.00	0.00	-
	Depreciation		8,286.91	6,934.30	(1,352.62)
	Other Non-Cash Items		(11,021.55)	(280.97)	10,740.58
	Prior Year Adjustment		0.00	0.00	-
5	Operating Balance		46,743.61	53,599.89	6,856.28
6	Capital Account		(29,433.10)	(2,705.01)	26,728.09
	Revenue		17,046.48	19,433.66	2,387.18
	Expenditure		(46,965.15)	(25,472.74)	21,492.42
	Investment		(982.14)	(138.50)	843.64
	Change in Inventory		1,467.71	3,472.57	2,004.86
7	Transfers from Government		14,165.51	15,251.09	1,085.58
	Loans		-	-	-
	Equity		-	-	-
	On-Lending		-	-	-
	Other		14,165.51	15,251.09	1,085.58
8	Transfers to Government		(30,359.18)	(27,750.46)	2,608.72
	Dividend		(6,053.08)	(6,200.00)	(146.92)
	Loan Repayments		-	-	-
	Corporate Taxes		(749.56)	(737.77)	11.79
	Other		(23,556.54)	(20,812.70)	2,743.84
9	OVERALL BALANCE (5+6+7+8)		1,116.84	38,395.51	37,278.67
10	FINANCING (11+15)		(1,116.84)	(38,395.51)	(37,278.67)
* 10a	Total		331.22	1,750.76	1,419.54
	Capital Revenue		1800.00	4.99	(1,795.01)
	Loans		1,631.00	-	(1,631.00)
	Equity		641.99	-	(641.99)
	On-Lending		(1,961.06)	2,000.00	3,961.06
	Loan Repayments		(1,780.70)	(254.22)	1,526.48
11	Total Foreign (12+13+14)		(10,531.17)	(4,256.62)	6,274.55
12	Government Guaranteed Loans		(1,115.57)	796.11	1,911.68
	Disbursement		0.00	1,853.17	1,853.17
	Amortization		(1,115.57)	(1,057.07)	58.50
13	Direct Loans		(9,415.60)	(12,660.99)	(3,245.39)
	Long Term:		(14.26)	(1,922.30)	(1,908.04)
		Disbursement	200.00	0.00	(200.00)
		Amortisation	(214.26)	(1,922.30)	(1,708.04)
	Short Term:		-	-	-
		Change in Trade Credits	(9,401.34)	(10,738.69)	(1,337.35)
14	Change in Deposits Abroad		0.00	7,608.26	7,608.26
15	Total Domestic (16+17+18)		9,083.10	(35,889.65)	(44,972.75)
16	Banking System		19,578.92	259.52	(19,319.40)
	Loans (Change)		423.07	(215.73)	(638.80)
	Overdraft (Change)		0.00	(0.17)	(0.17)
	Deposits (Change)		19,155.85	475.42	(18,680.42)
17	Non-Banks (Change)		0.00	0.00	-
18	Other (Change)		(10,495.82)	(36,149.17)	(25,653.35)

Outlook to March 31, 2026

The Group of SFPBs was programmed to generate an overall balance surplus of \$15.2bn for FY 2025/26. This is expected to decline to \$11.2bn consequent to additional financial distribution to the Government. While there are upside risks to this projection, given that the group of entities performed above target for the first half of the fiscal year, the impact of Hurricane Melissa in October 2025 is expected to exert significant downside pressures to this projection. The Group of SFPBs, particularly those with operations in tourism, transportation and public utility sectors are exposed to loss of revenue, increased operational costs, as well as increased capital expenditure to effect repairs to damaged infrastructure.

Fiscal Outlook

Looking ahead, the fiscal impact of Hurricane Melissa will continue as the recovery and reconstruction phase is executed. This is expected to be reflected in Expenditure growth, while also prioritizing social assistance. Notwithstanding the GOJ will maintain its commitment to fiscal responsibility. The debt-to-GDP ratio, revised to 62.4 percent for FY 2024/25 following GDP rebasing, is expected to increase to 68.2 percent at end-FY 2025/26.

Continued implementation of structural reforms—particularly in taxes, social protection, and climate resilience— and infrastructure development, will be critical to regaining fiscal stability and growth.

Public Debt Service

Public debt servicing costs are projected to total \$343.1bn for FY 2025/26, comprising \$138.5bn for domestic debt and \$204.5bn for external debt.

Supplementary Estimates FY 2025/26

As a result of additional expenditure which emerged subsequent to the approval of the original budget in March 2025, including allocation to cover salaries and allowances arising from agreements between the Government and public-sector unions/staff associations during FY 2024/25, the three per cent subsidy on residential electricity usage and the acquisition of 110 buses for the rural school bus service, the First Supplementary Estimates was formulated and tabled on July 1, 2025. A Second Supplementary Estimates was passed on October 21, 2025 to align with the reassignment of subjects following the September 2025 general elections.

In addition to expenditure required to further enhance the delivery of government operations, the passage of Hurricane Melissa, which brought considerable devastation to the island, has necessitated the formulation of a Third Supplementary Estimates to be tabled along with the Interim Fiscal Policy Paper.

The revised estimates reflect additional allocations, relative to the original budget, to Programmes (up by \$70.9bn or 19.7 percent), Compensation of Employees (up \$26.0bn or 5.3 percent), Interest (up \$4.2bn or 2.4 percent) and Amortization (down \$1.4bn or 0.9 percent). Capital expenditure is programmed to decline by \$7.1bn or 11.4 percent. The increase in Programmes partly reflects higher costs associated with relief and recovery efforts stemming from the passage of the hurricane. The higher Compensation costs are associated with wage settlements made within the fiscal year.

Revenue & Grants – FY 2025/26

Revenue & Grants for FY 2025/26 are currently projected to total \$1,065.7bn (30.6 percent of GDP), representing a decline of \$30.4bn or 2.8 percent relative to the originally approved budget. Non-Tax Revenue, totalling \$191.1bn, was increased by \$51.3bn, relative to the approved budget while Tax Revenue and Grants were reduced by \$80.5bn and \$1.1bn, respectively. The reduction in Tax Revenue largely reflects the impact of Hurricane Melissa as well as the intended policy decision to move the deadline for paying corporate taxes from March to April, commencing 2026. The increase in Non-Tax Revenue reflects additional financial resources derived from the securitization transaction and pay-outs related to disaster risk financing for hurricane relief. The projection for Bauxite Levy and Capital revenue remains unchanged.

Growth is projected for Revenue and Grants over the medium term, reflecting expected improvements in the economy. Over the next three years (from FY 2026/27 to FY 2028/29) inflows from Revenue & Grants are projected to average 28.6 percent of GDP and grow at an annual average of 4.0 percent. This performance is expected to be driven mainly by Tax revenue, with a projected annual average of 26.0 percent of GDP.

Expenditure – FY 2025/26

Total expenditure (above-the-line spending) has been revised to \$1,189.4bn (34.1 percent of GDP) for FY 2025/26, reflecting an increase of \$83.4bn or 7.6 percent relative to the Second Supplementary Estimates. Recurrent Expenditure of \$1,133.9bn (32.5 percent of GDP) is programmed for the fiscal year, up 8.2 percent. The increase in Recurrent Expenditure reflects higher Programmes, Compensation of Employees and Interest payments. Capital Expenditure at \$55.5bn (1.6 percent of GDP) is lower by \$2.2bn or 3.8 percent.

Over the medium term, total expenditure (net of amortization) is expected to average approximately 32.2 percent of GDP.

Appendix I

Table A1: Central Government Summary Accounts – Fiscal Monitoring Table FY 2025/26
(in millions of Jamaica dollars)

Item	First Supplementary Estimates				FY 2024/25		
	Prov Apr - Sept	Apr - Sept	Diff	Diff %	Apr - Sept	Diff	Diff %
Revenue & Grants	537,052.5	533,293.6	3,758.9	0.7%	452,646.8	84,405.7	18.6%
Tax Revenue	436,909.9	430,116.2	6,793.7	1.6%	408,776.4	28,133.5	6.9%
Non-Tax Revenue	99,075.4	100,035.0	-959.6	-1.0%	40,253.6	58,821.8	146.1%
Bauxite Levy	0.0	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%
Grants	1,067.2	3,142.4	-2,075.2	-66.0%	3,616.7	-2,549.6	-70.5%
Expenditure	552,529.5	572,697.9	-20,168.4	-3.5%	507,211.9	45,317.6	8.9%
Recurrent Expenditure	533,327.7	545,159.6	-11,831.9	-2.2%	482,491.3	50,836.4	10.5%
Programmes	191,483.3	194,253.3	-2,770.0	-1.4%	170,863.7	20,619.6	12.1%
Compensation of Employees	255,054.4	259,169.5	-4,115.0	-1.6%	220,891.3	34,163.1	15.5%
Wages & Salaries	237,876.7	243,045.1	-5,168.5	-2.1%	208,986.6	28,890.0	13.8%
Employers Contribution	17,177.8	16,124.4	1,053.4	6.5%	11,904.7	5,273.1	44.3%
Interest	86,790.0	91,736.8	-4,946.9	-5.4%	90,736.3	-3,946.3	-4.3%
Domestic	37,682.8	35,610.5	2,072.3	5.8%	37,458.2	224.6	0.6%
External	49,107.2	56,126.4	-7,019.2	-12.5%	53,278.1	-4,170.9	-7.8%
Source:							
Capital Expenditure	19,201.8	27,538.3	-8,336.5	-30.3%	24,720.6	-5,518.9	-22.3%
Capital Programmes	19,201.8	27,538.3	-8,336.5	-30.3%	24,720.6	-5,518.9	-22.3%
MoFPS							
Fiscal Balance (Surplus + / Deficit -)	-15,477.0	-39,404.3	23,927.3	60.7%	-54,565.1	39,088.1	71.6%
Loan Receipts	88,949.3	72,518.7	16,430.5	22.7%	84,250.5	4,698.7	5.6%
Domestic	85,633.9	68,371.9	17,262.0	25.2%	38,250.4	47,383.5	123.9%
External	3,315.4	4,146.8	-831.5	-20.1%	46,000.1	-42,684.8	-92.8%
Project Loans	3,315.4	4,146.8	-831.5	-20.1%	5,370.5	-2,055.1	-38.3%
Other	0.0	0.0	0.0	0.0%	40,629.7	-40,629.7	0.0%
Other Inflows (inc'ds PCDF)	2,108.8	1,704.8	404.0	23.7%	4,055.7	-1,946.9	-48.0%
Other Outflows	2,000.0	2,000.0	0.0	0.0%	0.0	2,000.0	-
Amortization	102,804.0	103,992.8	-1,188.8	-1.1%	92,187.0	10,617.0	11.5%
Domestic	48,320.3	48,821.0	-500.7	-1.0%	29,119.2	19,201.1	65.9%
External	54,483.6	55,171.8	-688.2	-1.2%	63,067.7	-8,584.1	-13.6%
Overall Balance (Surplus + / Deficit -)	-29,222.9	-71,173.6	41,950.7	58.9%	-58,445.9	29,223.0	50.0%
Primary Balance (Surplus + / Deficit -)	71,313.0	52,332.5	18,980.4	36.3%	36,171.2	35,141.8	97.2%

Source: MoFPS

Table A2: Details of Revenue - FY 2025/26
(in millions of Jamaica dollars)

Item	First Supplementary Estimates				FY 2024/25		
	Prov Apr - Sept	Apr - Sept	Diff	Diff %	Apr - Sept	Diff	Diff %
Revenue & Grants	537,052.5	533,293.6	3,758.9	0.7%	452,646.8	84,405.7	18.6%
Tax Revenue	436,909.9	430,116.2	6,793.7	1.6%	408,776.4	28,133.5	6.9%
Income and profits	137,261.7	136,651.0	610.8	0.4%	129,383.0	7,878.7	6.1%
Bauxite/alumina	727.0	1,340.4	-613.4	-45.8%	0.0	727.0	-
Other Companies	37,689.6	37,141.5	548.1	1.5%	35,574.6	2,115.0	5.9%
PAYE	76,377.4	75,455.7	921.7	1.2%	70,943.6	5,433.8	7.7%
Tax on dividend	1,434.8	1,736.9	-302.2	-17.4%	1,698.9	-264.1	-15.5%
Individuals	2,500.3	3,441.3	-941.0	-27.3%	2,717.5	-217.3	-8.0%
Tax on interest	18,532.8	17,535.1	997.6	5.7%	18,448.4	84.4	0.5%
Production and consumption	139,525.2	137,175.2	2,350.0	1.7%	131,742.0	7,783.2	5.9%
Min Business Tax	31.2	14.6	16.5	112.9%	37.8	-6.7	-17.6%
SCT	13,152.8	12,826.1	326.7	2.5%	10,610.6	2,542.2	24.0%
Environmental Levy	487.3	495.7	-8.4	-1.7%	480.7	6.6	1.4%
Motor vehicle licenses	2,743.4	2,635.9	107.5	4.1%	2,609.2	134.2	5.1%
Other licenses	652.5	724.9	-72.4	-10.0%	1,063.0	-410.4	-38.6%
Quarry Tax	93.2	90.8	2.3	2.6%	122.1	-29.0	-23.7%
Betting, gaming and lottery	4,525.4	4,403.6	121.8	2.8%	4,018.4	507.0	12.6%
Accommodation Tax	1,830.4	1,687.3	143.1	8.5%	1,732.9	97.5	5.6%
Education Tax	26,562.6	25,959.6	603.0	2.3%	24,778.5	1,784.1	7.2%
Telephone Call Tax	1,209.9	1,322.8	-113.0	-8.5%	1,368.9	-159.0	-11.6%
Contractors levy	1,546.8	1,404.0	142.8	10.2%	1,400.7	146.1	10.4%
GCT (Local)	81,830.2	81,663.7	166.5	0.2%	79,508.0	2,322.2	2.9%
Stamp Duty (Local)	4,859.7	3,946.2	913.6	23.2%	4,011.2	848.6	21.2%
International Trade	160,123.0	156,290.0	3,832.9	2.5%	147,651.4	12,471.6	8.4%
Custom Duty	35,697.7	34,749.3	948.4	2.7%	32,146.0	3,551.7	11.0%
Stamp Duty	2,272.4	2,143.2	129.3	6.0%	1,883.8	388.7	20.6%
Travel Tax	15,804.5	15,310.5	494.0	3.2%	14,701.2	1,103.3	7.5%
GCT (Imports)	68,088.0	66,146.0	1,942.0	2.9%	61,230.0	6,858.0	11.2%
SCT (Imports)	35,401.6	34,980.3	421.4	1.2%	34,956.2	445.4	1.3%
Environmental Levy	2,858.7	2,960.9	-102.2	-3.5%	2,734.2	124.5	4.6%
Non-Tax Revenue	99,075.4	100,035.0	-959.6	-1.0%	40,253.6	58,821.8	146.1%
Bauxite Levy	0.0	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%
Grants	1,067.2	3,142.4	-2,075.2	-66.0%	3,616.7	-2,549.6	-70.5%

Source: MoFPS

Table A3: Central Government Summary Accounts – Fiscal Monitoring Table FY 2025/26
(in millions of Jamaica dollars)

Item	Third Supplementary Estimates Apr - March	Originally Approved Budget Apr - March	Diff	Diff %	Actual FY 2024/25 Apr - March	Diff	Diff %
Revenue & Grants	1,065,657.9	1,096,083.1	-30,425.2	-2.8%	1,058,575.6	7,082.3	0.7%
Tax Revenue	869,012.0	949,493.9	-80,481.9	-8.5%	882,755.8	-13,743.8	-1.6%
Non-Tax Revenue	191,140.0	139,816.4	51,323.5	36.7%	170,224.0	20,915.9	12.3%
Bauxite Levy	693.9	812.0	-118.1	-14.5%	0.0	693.9	-
Capital Revenue	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%
Grants	4,812.1	5,960.8	-1,148.7	-19.3%	5,595.8	-783.7	-14.0%
Expenditure	1,189,390.7	1,095,302.8	94,087.9	8.6%	1,050,899.6	138,491.1	13.2%
Recurrent Expenditure	1,133,908.5	1,032,707.2	101,201.3	9.8%	993,443.8	140,464.8	14.1%
Programmes	430,299.7	359,375.3	70,924.4	19.7%	366,667.7	63,632.0	17.4%
Compensation of Employees	521,844.6	495,799.4	26,045.2	5.3%	446,767.4	75,077.2	16.8%
Wages & Salaries	486,904.8	463,431.5	23,473.3	5.1%	423,004.4	63,900.4	15.1%
Employers Contribution	34,939.8	32,367.9	2,571.9	7.9%	23,763.0	11,176.8	47.0%
Interest	181,764.3	177,532.5	4,231.8	2.4%	180,008.7	1,755.6	1.0%
Domestic	79,593.0	64,130.5	15,462.6	24.1%	75,348.8	4,244.2	5.6%
External	102,171.3	113,402.1	-11,230.8	-9.9%	104,659.9	-2,488.7	-2.4%
Capital Expenditure	55,482.2	62,595.6	-7,113.4	-11.4%	57,455.9	-1,973.7	-3.4%
Capital Programmes	55,482.2	62,595.6	-7,113.4	-11.4%	57,455.9	-1,973.7	-3.4%
Fiscal Balance (Surplus + / Deficit -)	-123,732.8	780.3	-124,513.1	-15956.4%	7,675.9	-131,408.7	-1712.0%
Loan Receipts	340,309.9	158,441.9	181,868.0	114.8%	254,711.7	85,598.2	33.6%
Domestic	198,680.5	90,074.9	108,605.6	120.6%	182,579.3	16,101.3	8.8%
External	141,629.4	68,367.0	73,262.4	107.2%	72,132.4	69,496.9	96.3%
Amortization	161,306.2	162,746.2	-1,440.0	-0.9%	301,948.1	-140,641.9	-46.6%
Domestic	58,928.5	59,574.7	-646.2	-1.1%	170,728.1	-111,799.6	-65.5%
External	102,377.7	103,171.5	-793.8	-0.8%	131,220.0	-28,842.3	-22.0%
Other Inflows (inc'ds PCDF)	4,387.5	4,946.0	-558.5	-11.3%	16,897.8	-12,510.3	-74.0%
Other Outflows	26,180.0	2,000.0	24,180.0	1209.0%	0.0	26,180.0	-
Overall Balance (Surplus + / Deficit -)	33,478.4	-578.0	34,056.4	5892.4%	-22,662.7	56,141.1	247.7%
Primary Balance (Surplus +/Deficit -)	58,031.5	178,312.9	-120,281.4	-67.5%	187,684.7	-129,653.2	-69.1%
Total Payments	1,376,876.9	1,260,049.0	116,827.9	9.3%	1,352,847.7	24,029.2	1.8%

Source: MoFPS

Table A4: Details of Revenue – Fiscal Monitoring Table FY 2025/26
(in millions of Jamaica dollars)

Item	Third Supplementary Estimates Apr - March	Originally Approved Budget Apr - March	Diff	Diff %	Actual FY 2024/25 Apr - March	Diff	Diff %
Revenue & Grants	1,065,657.9	1,096,083.1	-30,425.2	-2.8%	1,058,575.6	7,082.3	0.7%
Tax Revenue	869,012.0	949,493.9	-80,481.9	-8.5%	882,755.8	-13,743.8	-1.6%
Income and profits	280,869.4	339,504.1	-58,634.7	-17.3%	304,496.2	-23,626.7	-7.8%
Bauxite/alumina	1,981.6	3,978.8	-1,997.2	-50.2%	471.7	1,509.9	320.1%
Other companies	70,779.5	122,805.8	-52,026.3	-42.4%	102,700.4	-31,920.9	-31.1%
PAYE	157,377.3	156,826.0	551.3	0.4%	146,677.6	10,699.8	7.3%
Tax on dividend	3,617.4	3,838.9	-221.5	-5.8%	3,599.0	18.4	0.5%
Other individuals	8,681.4	13,350.2	-4,668.8	-35.0%	9,346.9	-665.5	-7.1%
Tax on interest	38,432.2	38,704.5	-272.3	-0.7%	41,700.6	-3,268.4	-7.8%
Production and consumption	271,596.9	279,315.9	-7,719.0	-2.8%	276,350.3	-4,753.5	-1.7%
Minimum Business Tax	35.4	0.0	35.4	-	97.5	-62.1	-63.7%
SCT	22,542.7	23,660.6	-1,118.0	-4.7%	20,931.6	1,611.1	7.7%
Environmental Levy	892.4	974.7	-82.3	-8.4%	1,019.5	-127.2	-12.5%
Motor vehicle licenses	5,304.9	5,460.8	-155.9	-2.9%	5,459.1	-154.2	-2.8%
Other licenses	2,106.0	2,893.3	-787.3	-27.2%	1,584.0	522.0	33.0%
Quarry Tax	203.9	240.0	-36.1	-15.1%	236.5	-32.6	-13.8%
Betting, gaming and lottery	9,190.6	9,489.3	-298.7	-3.1%	8,406.7	783.9	9.3%
Accommodation Tax	2,717.7	3,316.7	-599.1	-18.1%	3,425.6	-708.0	-20.7%
Education Tax	52,176.0	55,162.4	-2,986.4	-5.4%	55,481.2	-3,305.2	-6.0%
Telephone Call Tax	2,448.1	2,730.1	-282.1	-10.3%	2,649.2	-201.1	-7.6%
Contractors levy	2,789.2	2,998.0	-208.8	-7.0%	3,220.6	-431.4	-13.4%
GCT (Local)	163,715.7	165,946.9	-2,231.1	-1.3%	166,323.8	-2,608.1	-1.6%
Stamp Duty (Local)	7,474.3	6,443.0	1,031.4	16.0%	7,515.0	-40.7	-0.5%
International Trade	316,545.7	330,673.9	-14,128.2	-4.3%	301,909.2	14,636.5	4.8%
Custom Duty	71,782.8	74,163.8	-2,381.1	-3.2%	66,611.2	5,171.6	7.8%
Stamp Duty	4,480.8	4,898.1	-417.3	-8.5%	4,284.6	196.2	4.6%
Travel Tax	27,773.6	29,266.6	-1,493.0	-5.1%	28,444.9	-671.3	-2.4%
GCT (Imports)	135,671.4	139,525.3	-3,853.9	-2.8%	126,334.3	9,337.1	7.4%
SCT (Imports)	71,233.6	76,743.7	-5,510.1	-7.2%	70,680.7	552.9	0.8%
Environmental Levy	5,603.5	6,076.3	-472.8	-7.8%	5,553.7	49.8	0.9%
Non-Tax Revenue	191,140.0	139,816.4	51,323.5	36.7%	170,224.0	20,915.9	12.3%
Bauxite Levy	693.9	812.0	-118.1	-14.5%	0.0	693.9	-
Capital Revenue	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%
Grants	4,812.1	5,960.8	-1,148.7	-19.3%	5,595.8	-783.7	-14.0%

Source: MoFPS

Table A5: Central Government Summary Accounts – Medium Term Fiscal Profile
(in millions of Jamaica dollars)

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
Revenue & Grants	720,224.5	827,775.1	925,283.0	1,058,575.6	1,065,657.9	1,070,047.2	1,147,388.4	1,216,187.7
Tax Revenue	616,367.9	752,841.1	831,573.9	882,755.8	869,012.0	971,946.3	1,043,912.9	1,107,048.8
Non-Tax Revenue	92,828.0	67,327.4	83,780.8	170,224.0	191,140.0	92,766.6	97,040.3	101,516.2
Bauxite Levy	2,461.7	1,266.1	1,795.5	0.0	693.9	0.0	0.0	0.0
Capital Revenue	908.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants	7,658.5	6,340.6	8,132.9	5,595.8	4,812.1	5,334.4	6,435.2	7,622.7
Expenditure	698,895.6	819,989.0	924,110.8	1,050,899.6	1,189,390.7	1,254,343.5	1,306,308.1	1,347,123.7
Recurrent Expenditure	648,385.4	766,804.5	868,247.2	993,443.8	1,133,908.5	1,154,603.2	1,205,500.8	1,241,869.8
Programmes	269,586.5	277,303.4	292,463.8	366,667.7	430,299.7	419,249.2	440,211.7	462,222.3
Compensation of Employees	241,751.1	338,126.1	403,618.2	446,767.4	521,844.6	555,245.9	590,809.4	624,203.2
Wages & Salaries	222,484.2	317,884.6	378,213.2	423,004.4	486,904.8	519,460.8	553,731.8	585,469.0
Employers Contribution	19,266.9	20,241.5	25,405.0	23,763.0	34,939.8	35,785.1	37,077.7	38,734.2
Interest	137,047.8	151,375.0	172,165.3	180,008.7	181,764.3	180,108.1	174,479.6	155,444.4
Domestic	54,711.9	67,986.8	70,905.9	75,348.8	79,593.0	82,416.6	81,992.8	66,896.1
External	82,335.9	83,388.2	101,259.4	104,659.9	102,171.3	97,691.4	92,486.8	88,548.2
Capital Expenditure	50,510.2	53,184.5	55,863.5	57,455.9	55,482.2	99,740.4	100,807.3	105,253.8
Capital Programmes	50,510.2	53,184.5	55,863.5	57,455.9	55,482.2	99,740.4	100,807.3	105,253.8
Fiscal Balance (Surplus + / Deficit -)	21,328.9	7,786.1	1,172.3	7,675.9	(123,732.8)	(184,296.3)	(158,919.7)	(130,936.0)
Loan Receipts	149,635.3	118,293.5	199,897.4	254,711.7	340,309.9	232,148.6	389,843.1	429,986.1
Domestic	75,832.9	96,516.4	57,985.9	182,579.3	198,680.5	131,846.6	213,306.5	243,024.8
External	73,802.4	21,777.2	141,911.5	72,132.4	141,629.4	100,302.0	176,536.6	186,961.3
Other Inflows (inc'ds PCDF)	3,268.0	4,876.6	24,208.7	16,897.8	4,387.5	7,201.2	7,055.1	7,176.5
Other Outflows	19,267.9	0.0	13,919.3	0.0	26,180.0	0.0	0.0	0.0
Amortization	159,791.1	161,630.7	137,571.6	301,948.1	161,306.2	171,971.2	237,978.6	306,226.7
Domestic	72,368.0	115,419.9	21,692.9	170,728.1	58,928.5	40,549.3	102,428.2	165,262.8
External	87,423.1	46,210.7	115,878.8	131,220.0	102,377.7	131,421.9	135,550.4	140,963.8
Overall Balance (Surplus + / Deficit -)	(4,826.8)	(30,674.4)	73,787.5	(22,662.7)	33,478.4	-116,917.7	0.0	0.0
Primary Balance (Surplus + / Deficit -)	158,376.7	159,161.1	173,337.5	187,684.7	58,031.5	(4,188.3)	15,560.0	24,508.4
Total Payments	877,954.6	981,619.6	1,075,601.7	1,352,847.7	1,376,876.9	1,426,314.7	1,544,286.7	1,653,350.3

Source: MoFPS

Table A6: Central Government Summary Accounts - Medium Term Fiscal Profile
(percent of 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
Revenue & Grants	28.4%	27.4%	27.7%	30.3%	30.6%	28.6%	28.6%	28.6%
Tax Revenue	24.3%	24.9%	24.9%	25.3%	24.9%	26.0%	26.0%	26.0%
Non-Tax Revenue	3.7%	2.2%	2.5%	4.9%	5.5%	2.5%	2.4%	2.4%
Bauxite Levy	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%	0.2%	0.2%
Expenditure	27.6%	27.1%	27.7%	30.1%	34.1%	33.6%	32.6%	31.7%
Recurrent Expenditure	25.6%	25.4%	26.0%	28.4%	32.5%	30.9%	30.0%	29.2%
Programmes	10.6%	9.2%	8.8%	10.5%	12.3%	11.2%	11.0%	10.9%
Compensation of Employees	9.5%	11.2%	12.1%	12.8%	15.0%	14.9%	14.7%	14.7%
Wages & Salaries	8.8%	10.5%	11.3%	12.1%	14.0%	13.9%	13.8%	13.8%
Employers Contribution	0.8%	0.7%	0.8%	0.7%	1.0%	1.0%	0.9%	0.9%
Interest	5.4%	5.0%	5.2%	5.2%	5.2%	4.8%	4.3%	3.7%
Domestic	2.2%	2.2%	2.1%	2.2%	2.3%	2.2%	2.0%	1.6%
External	3.2%	2.8%	3.0%	3.0%	2.9%	2.6%	2.3%	2.1%
Capital Expenditure	2.0%	1.8%	1.7%	1.6%	1.6%	2.7%	2.5%	2.5%
Capital Programmes	2.0%	1.8%	1.7%	1.6%	1.6%	2.7%	2.5%	2.5%
Fiscal Balance (Surplus + / Deficit -)	0.8%	0.3%	0.0%	0.2%	-3.5%	-4.9%	-4.0%	-3.1%
Loan Receipts	5.9%	3.9%	6.0%	7.3%	9.8%	6.2%	9.7%	10.1%
Domestic	3.0%	3.2%	1.7%	5.2%	5.7%	3.5%	5.3%	5.7%
External	2.9%	0.7%	4.2%	2.1%	4.1%	2.7%	4.4%	4.4%
Other Inflows (inc'ds PCDF)	0.1%	0.2%	0.7%	0.5%	0.1%	0.2%	0.2%	0.2%
Other Outflows	0.8%	0.0%	0.4%	0.0%	0.8%	0.0%	0.0%	0.0%
Amortization	6.3%	5.3%	4.1%	8.6%	4.6%	4.6%	5.9%	7.2%
Domestic	2.9%	3.8%	0.6%	4.9%	1.7%	1.1%	2.6%	3.9%
External	3.4%	1.5%	3.5%	3.8%	2.9%	3.5%	3.4%	3.3%
Overall Balance (Surplus + / Deficit -)	-0.2%	-1.0%	2.2%	-0.6%	1.0%	-3.1%	0.0%	0.0%
Primary Balance (Surplus + / Deficit -)	6.2%	5.3%	5.2%	5.4%	1.7%	-0.1%	0.4%	0.6%
Total Payments	34.6%	32.5%	32.2%	38.7%	39.5%	38.2%	38.5%	38.9%
GDP	2,535,600.0	3,023,411.0	3,339,095.0	3,495,147.4	3,486,466.9	3,736,067.9	4,012,700.8	4,255,389.0

Source: MoFPS

Appendix II

FISCAL RISK STATEMENT

This report serves as an update to select elements of the Fiscal Risk Statement published in the February 2025 Fiscal Policy Paper (FPP). Among the risk sources identified in the 2025 publication are: the macroeconomic assumptions used to prepare the FY 2025/26 budget and projections for the medium term, which include economic growth, inflation, interest rates, exchange rates, and changes in commodity prices, particularly of crude oil. Risks associated with contingent liabilities, arising from natural disasters, the operations of public bodies and public private partnerships.

Macroeconomic Risks

Economic Growth

The forecast for real GDP growth in FY 2025/26 has been revised downwards, following the passage of Hurricane Melissa, which impacted Jamaica in on October 28, 2025. Relative to the forecast underlying the March 2025 Central Government Budget, the economic outlook has changed from an expected expansion in the economy to a contraction of 4.3 percent for the fiscal year. The devastating impact of the hurricane, particularly in western parishes, is expected to result in lower output levels primarily from Agriculture, Forestry and Fishing; Electricity, Water Supply & Waste Management; as well as Accommodation & Food Service Activities.

Real GDP is estimated to have grown by 1.8 percent for the first half of FY 2025/26, driven by a 5.9 percent expansion in the Goods Producing Industry. This growth reflected improved output from Agriculture, Forestry and Fishing, Manufacture and Construction. The Services Industry, which grew by 1.8 percent, also contributed positively to the economic performance. Growth in this industry primarily reflected improvements in Financial & Insurance Activities and Accommodation & Food Service Activities (see **Part 2: Macroeconomic Overview**).

Tax revenue performed better than target during the first half of the fiscal year, with inflows exceeding budget by \$6.8bn, or 1.6 percent, reflecting above-budget collections from Income and Profits, Production and Consumption as well as International Trade. The deviation of the estimated economic growth relative to forecast influenced revenue performance. Higher-than-projected economic growth positively impacts Tax revenue collections, while lower-than-projected growth has the opposite effect.

Inflation

The annual point-to-point inflation rate in September 2025 was 2.1 percent, which was below the lower limit of the inflation target band of 4.0 percent to 6.0 percent. The fiscal year projection has been revised upwards from 5.3 percent to 9.5 percent due to the impact of Hurricane Melissa. Over the

medium term, inflation is projected to stabilize around the mid-point of the target range. Inflation rates impact the GOJ expenditure budget as it relates to general housekeeping expenses as well as the cost for servicing inflation-linked debt.

Interest Rates

Increasing interest rates are a risk to debt service costs. The extent of the Governments exposure to risks associated with changes in interest rates is measured based on the interest rate composition of the debt stock. In an effort to reduce this risk, the GOJ's debt management strategy features the issuance of mainly fixed-rate debt instruments.

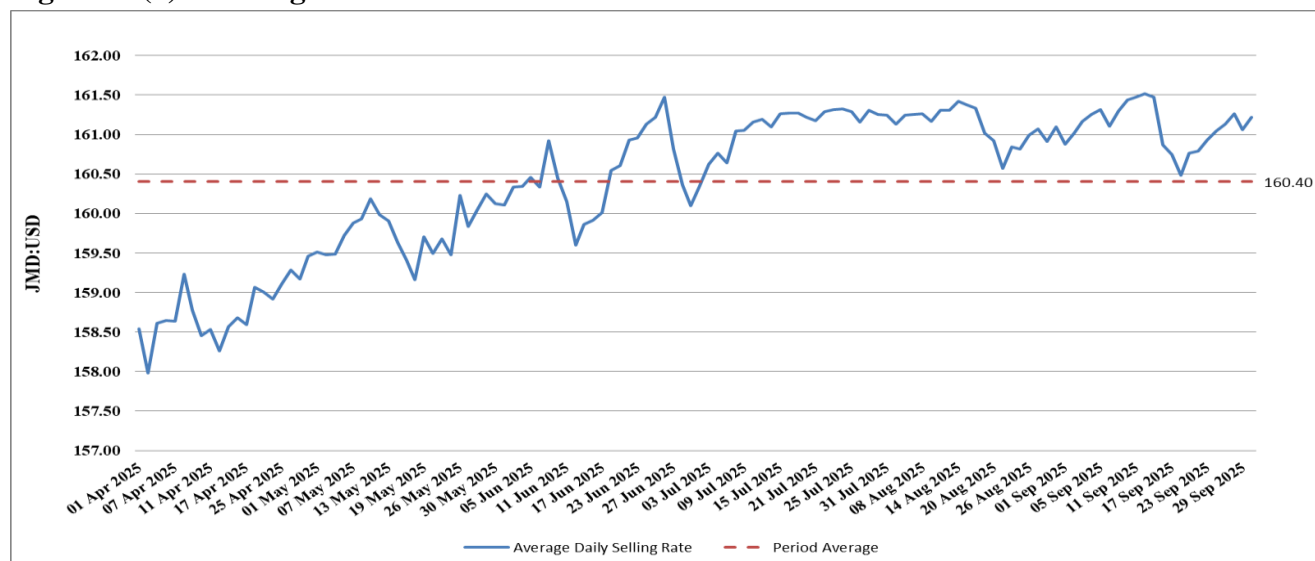
The 3-month Treasury-Bill rate and the Secured Overnight Financing Rate (SOFR) are the reference rates primarily used to reset interest rates on the variable-rate portion of the domestic and external debt portfolios, respectively. Over the April to September period of FY 2025/26, the 90-day Treasury bill rate averaged 5.31 percent, 276 basis points (bps) below the average recorded in the first half of FY 2024/25, but exceeded the projection underlying the budget. The higher-than-projected Treasury-Bill rate contributed to the above-budget Central Government domestic interest payments for the first half of FY 2025/26 (see Table A1).

Exchange Rate

The weighted average selling rate of the Jamaica dollar depreciated by 2.0 percent relative to the United States (US) dollar for April to September 2025, compared to the corresponding period of 2024. The average selling rate for the period was J\$160.40 to US\$1 (see **Figure II (a)**). The depreciation of the local currency reflected global economic uncertainty and a narrowing of the gap between domestic and external interest rates, necessitating the BOJ's strategic interventions in the foreign exchange market through its B-FXITT³ operations to attenuate the demand pressures. Over the period, the exchange rate depreciated at a slower pace relative to projection and contributed to the below-budget Central Government external interest payments for April to September 2025.

³ B-FXITT is the acronym for the Bank of Jamaica's Foreign Exchange Intervention Trading Tool.

Figure II (a) Exchange Rate Movements of the Jamaica Dollar vis-à-vis the US Dollar

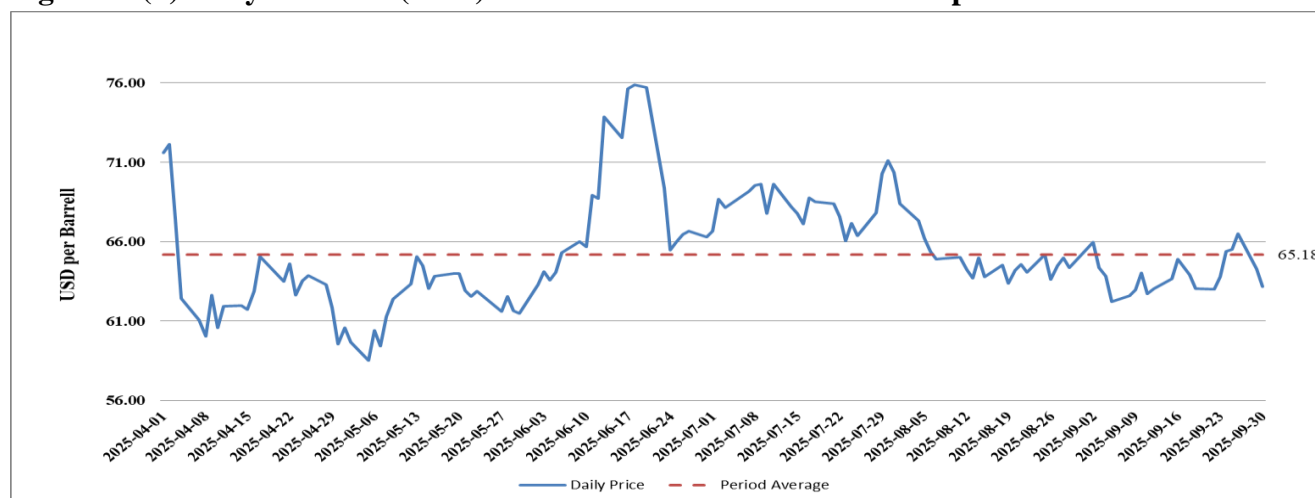


Source: Bank of Jamaica

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. For the fiscal year to end-September 2025, West Texas Intermediate (WTI) oil prices averaged US\$65.18/bbl (see **Figure II (b)**). Relative to the similar period last fiscal year, this represents a decline by US\$13.91/bbl or 17.6 percent. The average oil price for the fiscal year thus far is below the projected fiscal year average of US\$78.21/bbl which was presented in the annual FPP in February 2025. The projection has been revised downward to US\$62.35/bbl reflecting an expected continued reduction in oil prices for the remainder of the fiscal year.

Figure II (b) Daily Oil Price (WTI) Movements FY 2025/26 to end-September



Source: Federal Reserve Bank of St Louis

Contingent Liabilities

Climate-related Fiscal Risks

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.

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.

Jamaica is located in a multi-hazard zone, and is therefore 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. Realisation of a disaster caused by any of these hazards could lead to significant infrastructural damage, disrupt the GOJ's expenditure programme, and adversely impact revenue flows.

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, proactively implementing strategies aimed at building fiscal resilience to such shocks. During the first quarter of FY 2024/25, the GOJ issued a new Catastrophe (CAT) Bond on the International Capital Market, following the maturity of Jamaica's first CAT Bond. The instrument provides insurance coverage valued at a maximum of US\$150.0mn against named wind events, for a period of three and a half years, or four hurricane seasons. The Government also renewed its parametric insurance coverage with the Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF-SPC) which insures against damage resulting from Tropical Cyclone (TC), Earthquake (EQ) and Excess Rainfall (XSR). Total coverage under this policy for FY 2025/26 amounts to US\$210.3mn. Additionally, the GOJ had in place a US\$285.0mn Contingent Credit Line with the Inter-American Development Bank (IDB). Financial resources also existed through the GOJ's National Natural Disaster Reserve Fund (NNDRF), the National Disaster Fund (NDF) and the Contingencies fund, which together provided access to more than J\$6.5bn at end-September 2025.

Hurricane Melissa

On October 28, 2025 the centre of Hurricane Melissa passed through the parishes of St. Elizabeth and Westmoreland, resulting in the loss of lives and widespread devastation primarily in the western sections of the island. Following the passage of the hurricane, the outlook for real GDP for the fiscal year was revised downward from a growth of 2.2 percent to a contraction of 4.3 percent.

The preliminary estimate of the impact of the hurricane on the Central Government total expenditure (above-the-line spending) for FY 2025/26 is approximately \$29.3bn, arising mainly from emergency response costs. In terms of Tax Revenue, the preliminary estimate of the impact reflects a \$25.8bn fall-out for FY 2025/26.

Importantly, Jamaica's disaster risk financing strategy is reaping dividends. The fiscal impact of the Hurricane Melissa was mitigated by the triggering of pay-outs under the GOJ's Tropical Cyclone (US\$70.8mn) and Excess Rainfall (US\$21mn) policies with CCRIF as well as the triggering of a full pay-out (US\$150mn) under the Catastrophe Bond. Additionally, financial resources from the Contingencies Fund and the National Natural Disaster Reserve Fund will be utilized to assist in financing the emergency response and recovery efforts.

The fiscal impact of Hurricane Melissa is expected to persist for at least three to five years beyond FY 2025/26, primarily through Capital Expenditure as the recovery and reconstruction phase of the disaster management is executed. Other fiscal implications include the suspension of the fiscal rules embedded in Jamaica's Fiscal Responsibility Framework and increased public debt.

Public Bodies

The GOJ continues to monitor the operations of public bodies as possible sources of contingent liabilities, both explicit and implicit. Central Government accounts may be impacted if these entities are unable to service loans extended by the GOJ, or those which are government guaranteed. The Government may also face the moral obligation (implicit liability) to recapitalize public bodies in the event of failure. It is therefore important to monitor key developments which might impact the financial performance of these entities.

The Government remains committed in its efforts to reduce inefficiencies in the public sector through the strategic implementation of the Public Bodies Rationalisation Programme, in order to mitigate the risk of recourse to the Central Government budget.

Public Bodies with Arrears

GOJ remains cognisant that public bodies with significant arrears could present fiscal risks to the Government's operations. Therefore, arrears and liabilities are closely monitored to manage these risks. The Government continues to monitor closely the domestic arrears of seven (7) large public bodies within the established ceiling of \$6.4bn for arrears over 90 days. These public bodies are Clarendon Alumina Production Limited, National Water Commission, Housing Agency of Jamaica, the Jamaica Urban Transit Company Limited, National Health Fund, National Road Operating and Construction Company Limited and the Urban Development Corporation. The over 90-day domestic arrears for the seven entities totalled \$7.5bn as at September 30, 2025.

Public Private Partnerships (PPPs)

PPPs remain important mechanisms to undertake infrastructure upgrade and development, while facilitating shared risks. They allow the Government to leverage private sector expertise and capital to facilitate the enhanced delivery of public infrastructure and services. While the Government continues to pursue PPPs, it is recognised that these may present fiscal risks if not appropriately designed and financed and the associated risks recognised and managed. The enhanced fiscal rules that were adopted through amendments to the FAA and PBMA Acts in March 2014 have put in place the institutional changes required to strengthen the development of projects and manage the risks associated with PPPs

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

Pursuant to these claims, the concession agreements for the NMIA and SIA PPPs were amended to facilitate the economic rebalancing of the transactions. No amendments to the concession agreements or compensation were warranted based on the claims submitted for the North South and East West Highways. However, the TransJamaican Highway Limited has submitted claims in respect of delays in the implementation of the increased toll rates for the 2025/26 period.

PPPs In progress

The following PPP transactions are currently in progress:

Rio Cobre Water Treatment Plant

The National Water Commission (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 15mn gallons per day (mgd). The Water Purchase Agreement (WPA) was approved by Cabinet on 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. Work has commenced to facilitate the construction of the facility.

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 of 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 of the ESPC, the contract between the NET and the private investor was executed on March 29, 2022.

Subsequent to this approval, the private investor undertook an investment grade audit which revealed that several schools in the pilot had already undertaken energy efficiency retrofits. NET continues to pursue activities towards achieving financial closure.

APPENDIX III

Developments in the Financial Sector FY 2025/26

During FY 2025/26, the MOFPS continued to advance key reforms to strengthen the legislative and regulatory framework governing the financial sector. Cabinet approval is being sought for the continuation of all legislative matters currently in progress, in accordance with statutory requirements following the formation of a new administration. The principal legislative reforms are outlined below.

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

Financial Regulations Division (FRD)

The status of key legislative matters pursued during the review period is as follows:

Insurance (Amendment) Bill

The MOFPS received the revised Bill and accompanying Notices from the Office of the Parliamentary Counsel (OPC) in March 2025, which was forwarded to the Financial Services Commission (FSC) for review and comments. The proposed amendments seek to, among other things, amend the Insurance legislation to facilitate the creation of a microinsurance legislative framework.

Private Sector Pensions Reform

Following the issuance of drafting instructions to the OPC in February 2025, the MOFPS received the revised Pensions (Superannuation Funds and Retirement Schemes) (Repeal and Replacement) Bill and the Income Tax (Amendment) Bill from the OPC in August 2025. The Bills were subsequently forwarded to the FSC and the TAJ for review and comments. 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.

Payment Clearing Settlement (Amendment) Bill

The Bill continued to progress through the iterative drafting process, with the most recent version received on June 13, 2025. It was subsequently forwarded to the Bank of Jamaica (BOJ) for review and comments on the same day. The proposed amendments aim to strengthen the legal and regulatory framework governing payment service providers (PSPs).

Bank of Jamaica (Amendment) Bill

The MOFPS received the first draft of the Bill on May 27, 2025, which proposes amendments to the Bank of Jamaica Act aimed at strengthening the statutory oversight of money or value transfer services (MVTs) and cambios. The draft Bill was forwarded to the Bank of Jamaica (BOJ) for review and comments on the same day.

Bank of Jamaica (Amendment) Bill

The Bill regarding proposals to address the eligibility criteria for appointments continued through the iterative process, with the issue of drafting instructions to the OPC in August 2025 to revise the Bill accordingly.

Twin Peaks Model of Financial Regulation

A meeting was convened on June 30, 2025, with representatives from the BOJ, the FSC and the MOFPS. To-date, the MOFPS has received the comments of many of the stakeholders, all except for one. The draft Cabinet Submission is currently being revised for re-submission to government stakeholders for non-objection, pending receipt of the remaining feedback. The proposed “Twin Peaks” regulatory model aims to restructure financial sector oversight into two primary functions, prudential supervision and consumer protection and market conduct supervision, with clearly defined authorities responsible for each area.

Virtual Asset Service Providers Bill

The MOFPS received the first draft of the Bill in April 2025 following the issuance of drafting instructions to the OPC in February 2025. The Bill was subsequently forwarded to stakeholders, the majority of which have since provided feedback.

Securities (Conduct of Business) Regulations

The Securities (Conduct of Business) Regulations has been finalised for gazetting, pending ministerial approval. The proposed amendments aim to strengthen the market conduct requirements for securities dealers in order to strengthen the market and professional conduct standards in the industry.

Financial Sector Adjustment Company Ltd and Financial Institutions Services Ltd

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

- 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. The annual general meeting was held on August 14, 2025.

For the Financial Sector Adjustment Company:

The update on the outstanding litigation matters are as follows:

- Matter No.1

In this case, a former customer of a bank acquired by FINSAC in its financial sector intervention was successful in his claim for wrongful withdrawal of funds by the bank from his foreign currency accounts. The matter went through the local courts to the Privy Council which ruled that the amounts should be refunded with interest and that the bank should cover 50% of his Privy Council costs. This matter has now been settled through the Ministry of Justice.

- Matter No.2

This claim by FINSAC was for lack of fiduciary duty against a former executive. The re-hearing of the appeal is scheduled for September 22, 2025, but neither party is ready or has filed relevant documents, and thus a new date may have to be sought pending a possible further review by Cabinet of the settlement proposal put forward by the appellant.

- **Matter No.3**

In this case, a company sued FINSAC and its subsidiaries for selling its property below market value to another government company. When this case started, there was a Court Order, in a different matter, for this company to be wound-up. Despite an appeal, the parties never pursued the matter any further. FINSAC's attorney is seeking to have that appeal dismissed for want of prosecution and this is expected to be heard during the upcoming court term. When this happens, the original decision to wind-up the company will stand which means the company did not have the legal status to sue FINSAC et al and thus the case against FINSAC et al would be dismissed.

In relation to Jamaica Mutual Life Assurance Society/Jamaica Mutual Properties pension schemes, unclaimed balances for just over 250 beneficiaries were transferred to the Accountant General's Department in August 2024 and March 2025. A nominal amount representing the final transfer for over 80 beneficiaries was done in September 2025. Six beneficiaries have since submitted claims which are being processed by the Accountant General's Department.

For the Financial Institutions Services Limited:

There are two matters to be concluded before an application may be filed with the Companies Office of Jamaica to delist the company, namely:

- There are two Century-related properties to be disposed of, for which prior efforts at public auctions have been futile. Legal advice is being awaited from the Attorney General's Chambers to inform how these properties may be transferred to the Commissioner of Lands.
- FIS is the majority shareholder of Jamaica Grande Limited (JGL) for which a Trustee was appointed to pursue its liquidation. The Trustee estimates that the surplus funds in JGL will be distributed within the final quarter of this calendar year.

Financial Investigations Division

During the review period, the FID continued to strengthen collaboration with its domestic and international partners, whilst simultaneously building its capacity to investigate financial crimes, in keeping with its mandate. Notable achievements of the FID include:

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

Information Technology

During the review period, the FID in collaboration with the United Nations Office on Drugs and Crime (UNODC) successfully upgraded GoAML to facilitate online filing of suspicious and threshold transactions reports by financial and non-financial institutions in keeping with their obligations under the requisite laws of Jamaica.

Transaction Reports

At the end of July 2025, the number of reporting entities registered on GoAML to file transactions reports was nearly fifteen hundred (1500). In addition, the FID received and processed nearly sixty-nine thousand (69,000) financial disclosures as shown below:

Under POCA

1. Suspicious Transaction Reports - 2,058
2. Threshold Transaction Reports - 61,445
3. Authorised Disclosure Reports (Request to Consent) – 27
4. Cross Border Cash Reports - 366

Under TPA

1. TPA Compliance Reports - 2,464

Under UNSCRIA

1. UNSCRIA Reports - 2,467

Jamaica's National Risk Assessment on ML/TF/PF

The FID in collaboration with its partners is currently working on the country's third National Risk Assessment (NRA) for money laundering (ML) and terrorism financing (TF). The NRA is crucial for a country to identify, understand and mitigate its ML/TF risks as required by international standards set by the Financial Action Task Force (FATF). Significant progress has been made on each of the three (3) key Modules of the NRA relevant to the FID, namely ML Threat, ML Vulnerability and TF Risk Assessment.

Expanding the Use of the Proceeds of Crime Act

- The FID in collaboration with the United Kingdom's Serious Organized Crime and Anti-Corruption Programme (SOCAP) has delivered training courses to over 300 law enforcement personnel including the FID at the operational and senior management levels. Additionally, as part of the UK's SOCAP, six law enforcement personnel received overseas training in key areas including digital forensic examination, intelligence gathering and analysis, cybercrime, etc.
- In addition, a Financial Investigations Training Accredited Programme was delivered at the Regional Drug Law Enforcement Training Centre (REDTRAC), marking the official handover of the training programme to REDTRAC for continued implementation.

Operational Activities

Below are summaries of the operation/investigative activities of the FID as at August 31, 2025:

Cash Seizure & Confiscation Activities:

Description	Number	Value – J\$
Cash Seized	42	164,073,123.54
Cash Forfeited	4	6,465,871.49
Confiscation Receipts	5 cases	1,532,333.35

As at August 31, 2025, a total of \$7,453,866.76 in funds from cash seizures and confiscation receipts was transferred to the Consolidated Fund.

Public Sector Transformation

The FID has successfully onboarded individuals possessing the requisite qualifications, experience and competences. The FID is currently operating at close to 40.0 percent of its establishment but seeks to reach 70-80 percent capacity within the next two fiscal years, while introducing technology to improve productivity.

Proposed Areas of Focus for Fiscal Year 2025/26

Financial Regulations Division

The enactment of legislation for

- The second phase of private sector pension reform to address issues such as vesting, portability and indexation;
- The implementation of a regulatory framework for virtual asset service providers;
- The implementation of a regulatory framework for the “Twin Peaks” model of financial regulation;

Legislative amendments to:

- Insurance Act to inter alia, facilitate the creation of a microinsurance legislative framework;
- Bank of Jamaica Act to develop framework for eligibility criteria for appointments;
- Bank of Jamaica Act to develop framework for money or value transfer services and cambios;
- Payment Clearing Settlement Act to enhance the legal and regulatory framework for PSPs.

Financial Sector Adjustment Company / Financial Institutions Services Limited

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

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 remaining activities with a view to winding-up remaining companies and striking-off FINSAC by the end of August 2026.

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 surplus to shareholders of Jamaica Grande Limited and thereafter, apply to strike-off the company.

Financial Investigations Division

Information Technology

- Finalize the design, configuration and implementation of a sophisticated integrated case management system embedded in GoAML to improve the seamless management of investigations and operational activities of the FID;
- Initiate the procurement of AI-powered services to enhance the investigative, data analysis and reporting capabilities.

Expand Use of POCA & Strengthen Human Resource Capacity

- Continue to expand the use of the POCA across law enforcement agencies through on-going training initiatives;
- Facilitate leadership training including training in artificial intelligence (AI) for FID staff;
- Facilitate AML/CFT training by the Caribbean Financial Action Task Force (CFATF), in preparation for the upcoming FATF Mutual Evaluation scheduled for June 2026.

Public Sector Transformation

- Continue recruitment efforts, with the aim of increasing staff complement to approximately 60.0 percent by the end of the fiscal year through social media campaigns, virtual job fairs, participation in university career expos, internship programmes for attorneys and other professionals, etc.
- In collaboration with the International Development Bank, launch a bespoke certificate programme for financial crime specialists at the University of the West Indies.

Public Awareness

Continue to educate the public on matters relating to financial crimes through monthly podcasts and five-minute features aired on radio and social media.

Legislative

Seek passage of the amendment to the Financial Investigations Division Act to ensure operational independence and autonomy in accordance with FATF and to permit FID to enter arrangements with EGMONT to fulfil its obligations under FATF and as a member of EGMONT.

Appendix IV

STRATEGIC HUMAN RESOURCE MANAGEMENT

Human Capital Development

The Strategic Workforce Planning and Improvement Branch has delivered significant contributions to Jamaica's fiscal policy agenda through human capital development, scholarship administration, and workforce planning. Continued investment and institutional strengthening will further position the Branch to advance the modernization of public sector talent management and to cultivate a skilled, motivated workforce capable of driving Jamaica's transformation agenda.

During FY 2025/26 continued efforts have been placed on programme priorities, inter alia:

- Supporting the development and implementation of national human resource policies as required.
- Providing technical support for the review of the Public Service Regulations
- Supporting public entities by providing them with policy advice and assistance in the preparation of human resource manuals and related policies such as flexible work arrangements.
- Providing technical support to the Public Sector Transformation Programme by preparing and coordinating with stakeholders for employee performance management interventions in the public sector.

Marcus Garvey Public Sector Scholarship Programme

The Marcus Garvey Public Sector Graduate Scholarship Programme, which seeks to build organizational capacity throughout the public sector, is a core element of the Government of Jamaica's Human Capital Development strategy,

The application intake for the fifth cohort (2025/26 academic year) closed in January, with most applications concentrated in Education, Legal Drafting, Public Health, Engineering, Law, National Security, and Data Analytics. Of the 28 awards available, 23 were finalized and conferred. Over its five-year duration, the scholarship project awarded a total of 88 public sector workers in disciplines aligned with national development.

UK Commonwealth Scholarship Programme

The Ministry of Finance and the Public Service and by extent Jamaica was commended on the quality of candidates pre-selected for the final interviews conducted by the Commonwealth Scholarship Secretariat - UK. For the last five years Jamaica has successfully received 50.0 percent of scholarship awards within this initiative.

Cuba/Jamaica Bi-Lateral Scholarship Programme

The Scholarship Programme offers Jamaicans the opportunity to pursue tertiary studies in Cuba in fields that align with Jamaica's development priorities, including Medicine, Dentistry, Nursing, Engineering, and other technical disciplines. For the 2025/26 academic year, a total of fourteen students were accepted—thirteen at the undergraduate level and one at the postgraduate level.

GOJ Stem Scholarship Programme

The STEM Scholarship Programme, launched in 2023, was established to strengthen the national capacity of STEM educators and professionals. To date, 809 students across both universities are pursuing Bachelor of Education or Bachelor of Science degrees with specializations in disciplines such as Science, Computer Science, Mathematics, Geography and Environmental Studies, Industrial Technology, Family and Consumer Science, Gaming, Engineering, Applied Artificial Intelligence, Animation Production and Development, and Computer Network and Security.

All scholarship programmes administered by the Branch include mechanisms to ensure that recipients commit to serving in Jamaica and contributing to national development upon completion of their studies.

Workforce Planning Initiatives

The Workforce Planning activities within Branch focus on providing technical guidance in human capital planning for the public sector. This involves analyzing workforce trends, identifying current and future skills gaps, and ensuring that recruitment, learning, development and succession planning strategies are aligned with national priorities. These functions will support the modernization of the public service and contribute to the development of a workforce that is agile, efficient, and responsive to the needs of Jamaica. SHRMD is currently, finalizing Workforce Planning Guidelines for advisement and adoption within Ministries, Departments and Agencies (MDAs).

Priority areas for FY 2026/27 include, inter alia:

- Sensitization of targeted MDAs on Workforce Planning and Succession Planning guidelines.
- Review and integration of the Public Sector Learning & Development Framework into workforce planning and talent management initiatives across the sector.
- Development of learning and development strategies to increase and align capacity building programmes for targeted MDAs.
- UK Commonwealth Masters Scholarship for the academic year 2026/27 scholarship application period September 2 to October 14, 2025. Nominations, interviews and recommendations to the UK by December 2025.
- Development of a Succession Planning guideline for the Public Sector.

- Implementation of monitoring and evaluation activities to increase customer satisfaction and improve service delivery.
- Recommendations to the Attorney General’s Chambers non-compliant cases for recovery of funds.

Establishment, Compensation And Benefits - Major Activity for FY 2025/26

Collective Bargaining

The Government has commenced the collective bargaining process for the 2025/27 contract period. The resumption of negotiations follows the three-year implementation of the Compensation Restructure, during which collective bargaining was placed on hold to facilitate full execution of the reform. In this regard, a proposed three-year contract period has been presented to two groups — the Jamaica Confederation of Trade Unions (JCTU) and the Jamaica Teachers' Association (JTA). Negotiations are expected to continue with these groups, and to commence with the remaining unions and staff associations.

To date, the Ministry has received claims from 20 of the 34 bargaining units for the 2025/27 contract cycle. These include the Jamaica Civil Service Association (JCSA), the Jamaica Confederation of Trade Unions (JCTU), the Jamaica Teachers' Association (JTA), the Jamaica Police Federation (JPF), and other groups representing workers in the security, health, and education sectors.

Industrial Harmony

Industrial harmony remained at 95.0 percent, in line with projections, and a similar outcome is expected for the end of FY 2025/26. Ongoing engagement with all stakeholders continues to be critical in sustaining harmony across the Public Sector.

Corporate Management & Establishment Branch (CMEB)

CMEB will continue to align the GoJ’s establishment with national priorities, safeguard the integrity of the compensation restructuring, and strengthen organisational governance. Delivery in FY 2025/26 focuses on three cross-cutting results:

- a. Monitoring and evaluation of the compensation restructuring to close anomalies and stabilise the new system.
- b. Establishment management and workforce regularisation to secure continuity of services across all sectors.
- c. Targeted organisational reviews, standards development and audits across MDAs to remove duplication, raise accountability and improve service delivery.

Activities are structured to ensure fiscal responsibility by prioritising cost neutrality where feasible, generating efficiency gains through rationalisation, and mitigating establishment risks by ensuring that job design and classification structures are aligned with approved organisational design, functions, and strategic priorities.

Building on assignments completed or underway in FY 2025/26, including major reviews across MDAs, this work continues to be guided by legislative authority, Cabinet directives, and the rolling medium-term expenditure framework. Structural reform, organisational and job design, and establishment control remain clearly linked to budget execution and service delivery outcomes for the Jamaican people.

Program Priority Areas for FY 2025/26:

Cross Cutting:

Remedying Anomalies Emanating from Public Sector Compensation Restructuring *(in collaboration with the Transformation Implementation Unit (TIU)):*

Monitoring and evaluation activities undertaken jointly with the TIU are informing the resolution of compensation anomalies, system refinements, and job evaluation processes to secure fairness, stability, and accountability:

Scope of Anomalies

- Two hundred and ten (210) posts have been submitted to CMEB for anomaly resolution. These require job description modification, job re-evaluations, post title and/or band realignments.
- Twenty-two (22) entities require adjustments. Some will undergo full organisational reviews.

Job Description and Structural Alignment

- MDAs must review, update and validate job descriptions based on current job facts.
- Broader structural reviews will remove redundant layers and role duplication and ensure supervisory roles are placed in higher bands.
- CMEB will engage all organisations involved to bring forward establishment change submissions, with a target to resolve half of identified anomalies by the end of FY 2025/26 and the remainder by the end of FY 2026/27. Timely submission of complete documentation by MDAs is a prerequisite.

Salary Protection Mechanisms

- Formalizing red circling (*protecting incumbent salaries when a classification changes aligns a post with a lower salary*) and green circling (*freezing salary progression when incumbent salaries exceed the evaluated band*).
- Policies will ensure fairness, prevent financial disadvantage, and provide written justifications with timelines for each case.

System and Process Updates

- Standardization will include:
 - Clear criteria for supervisory designations.
 - Updated organograms aligned with job descriptions and performance appraisals.
 - A review cycle to determine whether red/green circled roles need permanent redesign.

Implementation Challenges

- Progress faces manpower deficits and competing strategic workloads.
- An internal structural review of branch capacity has been initiated to address operational gaps.
- Despite constraints, priority will be given to anomalies that can be resolved without long-term system changes.

Next Steps & Monitoring

- Immediate steps include developing an implementation plan, sequencing short-term anomaly fixes before system-wide changes.
- A monitoring and evaluation framework with KPIs will track progress on anomaly resolution and ensure accountability.

Workforce Regularization & Establishment Management:

Completed at the start of FY 2025/26:

- *Transition of Fixed-Term Staff:* Over 14,000 unapproved or temporary positions were regularised across the JCF, Regional Health Authorities, Educational Institutions, UTECH, NSWMA, Local Authorities and SDC.

On-going pipeline entities:

- Jamaica Fire Brigade (JFB) is foremost, with additional MDAs expected to submit related proposals.

Impact & Benefits:

- Stabilised workforce reduces turnover, improves institutional knowledge, and ensures operational continuity.
- Enhanced employee motivation, retention, and industrial harmony.
- Aligns HR with GOJ strategic and budget priorities.
- Directly supports key sectors: security, health, education, and infrastructure.

Function-Specific:

Management Analysis

Assignment of Subjects and Departments, Agencies and Other Public Bodies:

- Establishment of the Ministry of Education, Skills, Youth and Information (MOESYI) completed in keeping with Assignment of Subjects (October 2024).
- Further reviews anticipated upon portfolio assignments linked to September 3, 2025 General Election.

Major Ongoing Reviews:

- Houses of Parliament, RWSL, ODPEM, Supreme Court, Private Security Regulation Authority, IOJ, National Identification & Registration Inspectorate, MAFM (i.e. Plant and Quarantine) IFSLM (i.e. Forensic Pathology Department), MCGES (i.e. Project Management and Coordination to implement key national projects such as redevelopment of the National Stadium), MIND (i.e. to support implementation of the Public Sector Learning & Development Policy and PSLF (pursuant to Cabinet Decision No. 16/18 dated May 7, 2018 and Cabinet Decision No. 4/23 dated February 6, 2023), approximately 60 ongoing reviews across various GoJ entities .

Transformation & Rationalization:

- Redefining the Independent Fiscal Commission (IFC) based on recommendations from reviews to strengthen its mandate and operational efficiency.
- Extension of the Citizen Security Plan Secretariat.
- Integration of the Legal Aid Council into the Ministry of Justice.
- Integration of the Montego Bay Metro Company Ltd. into JUTC.
- Closure/divestment of Jamaica Ultimate Tyre Co. Ltd.
- Integration of the Rural School Bus Programme into JUTC.

Awaiting Feedback/Approvals:

SDF, NCE, CPFSA (pending Cabinet/legislative authorization).

Anticipated:

Establishment of posts at JSIF for World Bank–funded Kingston Waterfront Improvement (KiWI) Projects.

Standards Development

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

On-going Broader Organisational Oversight:

- Technology integration and implications for job structure and process design.
- Lays groundwork for monitoring organizational and business process frameworks to assess efficiency, effectiveness, and alignment with service delivery objectives.
- Support monitoring of SOPs, service standards, and organizational effectiveness.

Providing On-Going Support for Post & Operational Audits

- Execute JD validation and related analytical components in execution of all Post & Operations Audits.

Strategic HR Management: While job descriptions are crucial, comprehensive documentation of Business Process Management Frameworks, including SOPs for all services, ensures stronger institutional capacity, eliminates duplication, reduces waste, standardizes practices, and consistently meets service standards and public expectations. The CMEB will continue to improve scrutiny in this area, noting gaps in availability of validated JDs, SOPs and other such documentation as audit gaps.

Policy Position [Papers]

- Governance of expenditure on organisational reviews by MDAs.
- Framework for GOJ's engagement with External Management Consultancies (EMC) to maximize consultancy value.
- Introduction of an Organisational Development Network for GoJ

Research & Establishment Control

Civil Service Establishment (CSE) Act General and Amendment Orders:

- General Order, 2024: Approved, published and distributed (Q3 FY 2024/25).
- Amendment Order, 2025:
 - Vacant posts targeted for abolition in line with organisational review recommendations.
 - Database updated and stakeholders consulted, awaiting Minister's signature.
 - Q3 FY 2025/26 publication target.
- General Order, 2026:
 - Quality and establishment maintenance checks underway.
 - Q4 FY 2025/26 publication target.

Post & Operational Audit Programme Revision:

- FY 2025/26 audit agenda focuses on Public Tertiary Institutions and Public Bodies.
- Approach revised to ensure all established posts across GOJ entities have current, validated job descriptions and are operating as approved.
- Completed Post & Operational Audits (Q1):
 - Ministry of Education, Skills, Youth & Information (MOESYI)
- On-going Post & Operational Audits (Q2):
 - The Mico University College
 - Factories Corporation of Jamaica
 - Port Authority of Jamaica
 - Integrity Commission
 - Urban Development Corporation
- Post & Operational Audits to be done in Q3:
 - National Water Commission
 - University Hospital of the West Indies
 - Knox Community College
 - Independent Commission of Investigations (INDECOM)
 - Cannabis Licensing Authority
 - Jamaica Fire Brigade
 - Firearm Licensing Authority

- Culture, Health, Arts, Science and Education (CHASE) Fund
- Tourism Product Development Company (TPDCO)
- Post & Operational Audits to be done in Q4:
 - South East Regional Health Authority
 - Excelsior Community College
 - Jamaica Social Investment Fund
 - National Library of Jamaica
 - Jamaica Civil Aviation Authority
 - Transport Authority
 - Agro Investment Corporation
 - National Fisheries Authority
 - Consumer Affairs Commission

Impact & Benefits:

- Organisational reviews and rationalisation reduce duplication and enhance responsiveness.
- Strengthened governance and compliance across GOJ entities.
- Improved institutional alignment, accountability and service delivery.
- OD network, SOPs, and job evaluation processes strengthen institutional effectiveness.
- Strengthens strategic human resource management and public sector capacity.
- Supports sustainable institutional reform and readiness for national development priorities.

CMEB will take forward the plan above through quarterly milestones and transparent reporting to the Ministry of Finance and the Public Service and the Cabinet where required. The emphasis is on measurable results and timely closure of reviews, audits and anomaly cases.

Pension Administration

Program Update

- **Streamlining of the pension payment for the Local Authorities** – this will result in the Accountant General’s Department assuming responsibility for pension payments for all Local authorities/ Municipal Corporations. The process has commenced with the Portmore Municipal Corporation, and the scheduled transition timeline is by end of FY 2025/26.
- **The Re-transfer of the Pension Administration functions from the Ministry of Local Government and Community Development to the Pensions Branch (MoFPS).** The centralization of the process is expected to improve the forecasting of the pension budget, reduced processing staff and improved operational efficiencies. Currently consultations are being held with the MLGCD and the Municipal Corporations. The transfer is expected to be effected January 2, 2026.

Pension Administration Training Programme

The Pension Administration course was developed to aid human resource/pension practitioners in using the Public Employee Pension Administration System (PEPAS) and improve efficiency in preparing pension submissions. A Memorandum of Understanding (MOU) was established with the University of the West Indies Global Campus (UWIGC) and to date One Hundred and Twenty-Five (125) practitioners have been trained.

Legislative/Policy Update

Advancing the development of legislation for amending the Pension (Public Service) Act:

A draft proposal was prepared and circulated to all stakeholders for comments including Trade Unions and Collective Bargaining Groups representing workers within the Public Service and the Ministry of Finance and the Public Service's Legal Team. The comments have been compiled, and the 2nd draft proposal is being finalized.

Priority Areas for Remainder of FY 2025/26

- Public Employees' Pension Administration System (PEPAS) Workflow Enhancements
- Re-engineering the Pension Workflow process to reduce processing time by three (3) months
- Transfer Pension Administrative Function from the Ministry of Local Government (MLG) to the MOFPS by March 2026.
- Establish a Compliance and Monitoring Unit to enhance quality assurance in the pension process.
- Sensitization of targeted MDAs on the Pension Administration Process and the retiring benefits.
- Sponsor 50 Pension/HR Practitioners from targeted MDAs to participate in the Pension Administration Course offered by the UWI.
- Automate Customer Service Delivery/Implement technology-driven customer service

Appendix V

TAX PROGRAMME

TAX ADMINISTRATION JAMAICA

Tax Administration Jamaica (TAJ) contributes 66.0 percent of total government tax revenue (as at FY 2024/25), to enable the Government of Jamaica to mobilize domestic revenue to fund public goods and services. For FY 2025/26, TAJ's strategic priorities, planned programmes and projects are being executed under the following programmes, with an approved budget of \$24.0bn.

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

Taxpayers' voluntary compliance remains a main focus for the Administration, with developed and implemented 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.

As part of the efforts to maximize the efficiency and effectiveness of the Administration, emphasis continues to be placed on 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 (AS AT SEPTEMBER 30, 2025)

Collections

For the period April to September 2025, net collections amounted to \$276.1bn, representing 100.5 percent of the period's target of \$273.8bn, and an increase of \$15.bn or 5.8 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. Each year, compliance risk programmes are developed and implemented to address risk-based compliance leads identified. The results of the activities from these programmes at the end of September 2025 are reported below.

- **Taxpayer registration:** Taxpayer registration population moved from 307,033 (end FY 2024/25) to 312,235 (as at Q2 FY 2025/26), representing an increase of 1.7 percent.
- **On-time-filing rate:** The on-time filing rate reached 64.8 percent, representing a 1.8 percent increase compared to the same period last year (63.0 percent).

- **On-time payment rate:** Looks at the value of the tax liability that is paid on-time. The on-time payment rate of 96.8 percent, increased by 0.2 percent when compared to last fiscal year (96.6 percent).
- **Stock of arrears.** At the end of September 2025, the combined stock of arrears declined from \$252.4bn (end FY 2024/25) to \$246.3bn.
- **Audit coverage:** With a targeted audit coverage of 7.0 percent and 4.0 percent for large taxpayers and medium taxpayers respectively, as at September 2025, there was a 1.3 percent coverage for the large taxpayers and 1.3 percent coverage for the medium taxpayers.

Products and Service Enhancements

During FY 2025/26, TAJ expanded its products and services available to taxpayers:

- The online electronic motor vehicle registration certificate (eMVRC) allows taxpayers to renew both their Fitness Certificate and/or Motor Vehicle Registration Certificate online, and generate a digital certificate, replacing the paper-based certificate.
- The Annotto Bay Tax Office now offers same day processing of Driver's Licence. With this rollout, TAJ has increased the number of locations that offer same day processing of Driver's Licence to 10. Additionally, the Portmore Tax Office offers renewal services only.
- Effective July 1, 2025 taxpayers are required to file objections to Notices of Assessment via their eServices account, adding further efficiency to the objection process.
- The Special Arrears Settlement Programme (SASP) initially set to end at the end of March 2025, was extended into FY 2025/26, giving taxpayers more time to benefit from the programme.
- The Jamaica Digital Exchange (JAMDEX) is ongoing at the St. Andrew and Kingston Revenue Service Centres, as an additional online payment option for Property Tax, Traffic Ticket, and Certificate of Fitness Fees.

Structural Improvements

TAJ has eight (8) medium term infrastructure projects⁴ with phased execution scheduled for FY 2025/26. As at the end of September 2025, (1) Bank of Nova Scotia King Street bills of quantity advanced (2) Brown's Town geo-technical survey underway and construction drawing submitted (3) Cross Roads (Nuttall Property) has completed layout reviews for the first two floors (4) Montego Bay Revenue Service Centre awaits feedback on the Public Investment Appraisal Branch proposal submitted (5) Christiana Tax Office commenced the defect liability period (6) Morant Bay Urban Centre architectural firm has commenced preparation of cost to build out the facility (7) Santa Cruz is awaiting approval of the assignment of the land by the National Land Agency (8) Portmore Tax Office procurement of Architect completed.

Seven (7) renovation or upgrading projects earmarked for this fiscal year, continue to be executed as planned.

⁴ Kingston RSC (BNS Building- King Street), Browns Town Tax Office, Cross Roads (Nuttall Property), Montego Bay RSC, Christiana Tax Office, Morant Bay Urban Centre, Santa Cruz, and Portmore Tax Office.

Legal Framework

TAJ's legal services continue to provide support in advancing the Administration's strategic objectives, by guiding and providing legal opinions and advice upon request. This supports strategic initiatives and programmes, enabling the Administration to act within the context of the law. Technical support and guidance continues 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 is done to reduce ambiguity in interpretation, and to ensure Jamaica remains up to date with international standards.
- ***Amendment to Income Tax Regulations for Country-By-Country Reporting (CBCR):*** to increase transparency in multinational affairs, by enabling TAJ to identify risks of profit shifting and base erosion, to enable TAJ to 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.

Along with legislative amendments, legal work continues on:

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

FY 2026/27 Onwards

For FY 2026/27, TAJ will continue to pursue its mission, as it executes its rolling medium term strategic focus at the 'heart' of what we do, targeting: (i) human resource, environment, access to services, responsiveness, and technological advancements. Key strategic initiatives include:

- Major upgrade of the Revenue Administration Information System (RAiS), driven by modern technological improvements, enabling ease and user-friendliness of system interface, and new functionalities to enable greater customer satisfaction to include: (i) an e-Services Assistant Chat Bot (ii) an integrated Client Relationship Management System (iii) an appointment and queuing system, and (iv) Financial Data Exchange (FATCA & AEOI) system configuration, to enable the strengthened implementation of financial data exchange with foreign jurisdictions, among others.
- Modernization of key processes to include phased implementation of paperless processes, and a new electronic learning management system.

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

JAMAICA CUSTOMS AGENCY

Introduction

The Jamaica Customs Agency (JCA) recorded strong fiscal performance, surpassing revenue targets and achieving notable year-on-year growth over the period April 1, 2025, to August 31, 2025. Additionally, significant strides were made in border management and trade facilitation. Progress also continued in the modernization of the Customs legislative framework and the expansion of the services offered through the Jamaica Single Window for Trade (JSWIFT). These achievements reflected the JCA's ongoing commitment to improving efficiency, strengthening compliance, and safeguarding Jamaica's borders, while supporting sustainable growth and development.

The JCA is committed to:

1. Modernizing the JCA for sustainable contribution to economic development over the medium-term.
2. Improve the effectiveness of the implementation of key policies, projects and administrative services that support organizational strategies to advance the achievement of the organization's goals and objectives over the medium-term.

Operating Environment

The JCA continues to navigate a complex landscape marked by fluctuating global trade volumes, evolving security threats, and the increasing demand for efficiency and transparency in customs services. The JCA's success is underpinned by continuous improvements in several strategic pillars – policy, strategy, procedures, technology, human capital development and stakeholder engagement, to build trust, foster cooperation and promote compliance.

The achievements for the fiscal period of April 1, 2025 to August 31, 2025, are as follows:

Revenue Collection

The estimated tax revenue for April 1 to August 31, 2025, was \$130.7bn. The actual tax revenue outturn amounted to \$132.4bn and surpassed the budget by \$1.7bn or 1.3 percent. This outturn also reflected a year-on-year increase of \$7.4bn or 6.0 percent, compared to the \$124.9bn recorded for the same period of 2024. Travel Taxes accounted for 10.0 percent of the total revenue outturn for the reviewed period while merchandise trade accounted for 90.0 percent of the total revenue.

Aggregately, the merchandise trade revenue recorded for as at August 31, 2025, was \$119.2bn and grew by \$6.4bn or 6.0 percent, from the \$112.8bn recorded for the same period of the prior year. The major driver of this growth was the General Consumption Tax (GCT), which accounted for 70.0 percent of the overall expansion in the merchandise trade revenue. The drivers of this performance, at the tariff chapter level, included motor vehicles parts and accessories, beverages and spirits, electrical

machinery and equipment, salt, sulphur earth, stone and plastering materials, preparations of vegetables, fruits and nuts, ceramic products, paper and paperboard and articles thereof.

Travel Tax on record, as at August 2025, was \$13.2bn and reflected a 9.0 percent or \$1.1bn increase over the \$12.1bn collected during the corresponding period of the last fiscal year. This improvement resulted largely from enhanced compliance with the statutory required payment period, facilitated by a new direct payment mandate. Additional contributory factors included higher taxable passenger volume, particularly in respect of the Air Passenger Levy, and a higher rate of exchange⁵.

The actual collection for the other tax items exceeded their respective targets with the exception of Environmental Levy. The underperformance in this category may be attributed to lower import volumes of primarily natural gas, motor spirits, automotive diesel oil, bunker c fuel oil as well as steel and machinery.

The assessment on a year-on-year basis revealed that these tax items also recorded positive growth except for the Special Consumption Tax (SCT). Although most commodities on which SCT is levied generated modest increases in revenue, the outturn from mineral fuels and oils declined. This may indicate a contraction in the volume of finished products imported, compared to the prior year, with domestic production possibly augmenting available quantity to satisfy local demand.

The international environment continues to be permeated by heightening uncertainty. Notwithstanding, in the absence of external shocks or adverse events, the JCA is expected to end the fiscal year with a strong performance, supported by its continued focus on innovation, integrity and enhanced partnerships.

Border Protection

The JCA has invested in modern non-intrusive inspection technology which has bolstered the Border Protection Division's capacity to stem contraband penetration to include illicit drugs and cigarettes as well as firearm, magazines and ammunitions. For the period April 1, 2025, to August 31, 2025, the JCA recorded 19 ammunition seizures from which 27,296 rounds were seized, reflecting an exponential increase from the 1,457 rounds seized in the previous year. Magazine seizures remained flat at 11, however the quantity seized increased to 387 in comparison to the 83 on record for the period April 1, 2024, to August 31, 2024.

In the case of firearms, the total number of seizures for the period April 1, 2025, to August 31, 2025, was 9; a notable increase of 4 seizures or 80 percent over the 5 seizures for the same period of 2024. During this time, the JCA recorded an unprecedented number of seizures, totalling 279 firearms; a difference of 251 firearms or 896 percent, when compared with the same period of the previous fiscal year. This sharp increase in the number of firearms confiscated may have likely disrupted a firearm smuggling network.

⁵ Taxes denominated in USD

The total number of narcotics seizures recorded from April 1, 2025, to August 31, 2025, amounted to 109 and reflected an increase from the 84 recorded for the same period in 2024. Marijuana accounted for 60.0 percent of the total seizures and more than doubled from 30 to 65 seizures. Additionally, 3 seizures of marijuana seeds were also recorded; one less than the previous year. Cocaine seizures, the second largest category accounting from approximately 37.0 percent of the narcotics seizures, declined from 50 to 41.

In respect of illicit cigarettes, 55 seizures were recorded from which 58, 239 sticks were confiscated over the period April 1, 2025, to August 31, 2025. This contrasted sharply with the 27 seizures from which 962,405 sticks were seized during the same period of 2024. The records revealed significantly lower detections at the port of entries.

Over the period April 1, 2025, to August 31, 2025, a total of 111 credit/debit card seizures was registered which resulted in the confiscation of 169 cards, inclusive of cryptocurrency cards/wallets. Comparatively, whilst the number of seizure activity increased by 43 or 63.0 percent, the number of cards seized declined by 11 or 6.0 percent from the 180 registered for the same period of 2024.

A total of USD55,960 was seized for the period from April 1, 2025, to August 31, 2025 and represented 110.0 percent of the amount seized in the previous year of USD55, 601.

Trade Facilitation

The JCA continues to advance its trade facilitation mandate through the efficient clearance of goods and passengers, enhanced customer service experience, and proactive stakeholder engagements. Several units, across the JCA, play a pivotal role in ensuring that the requisite activities are effectively and efficiently executed.

As at August 31, 2025, an uptick in the number of aircraft arriving was observed.⁶ However, the number of arriving passengers contracted by 5.0 percent or 0.1mn, from approximately 1.6mn to 1.5mn. However, the number of outgoing passengers grew by 2.0 percent or 0.03mn to 1.555M from 1.6mn. Evolving foreign policies and travel advisories may have impacted international travel.

The timeliness of passenger processing was within the JCA's charter standard (green channel - 30 seconds; red channel - 3 minutes). The average processing time of passengers achieved at the green channel was 24 seconds while 2 minutes was recorded at the red channel.

In respect of cargo clearance, a total of 73, 587 commercial declarations were processed over the five-month period ending August 31, 2025, of which 66,630 or 91 percent were completed within 20 hours. This performance exceeded the JCA charter standard of 85.0 percent by six-percentage points and is indicative of improved operational efficiency.

⁶ 2%, from 11,373, to 11, 610.

In support of its commitment to seamless trade, the JCA continued with the expansion of services onboarded to the Jamaica Single Window for Trade (JSWIFT), a single access point for trade-related documentation to satisfy regulatory requirements. As at August 31, 2025, the onboarding of new services was between 50.0 percent to 95.0 percent completed for the following entities:

- Jamaica Agricultural Commodities Regulatory Authority
- Veterinary Services Division
- Ministry of National Security
- Firearm Licensing Authority
- Plant Quarantine Produce Inspection

Additional services, including Mines and Geology Division and the National Environmental and Planning Agency, are expected to be onboarded throughout the fiscal year.

Stakeholder engagement, aimed at enhancing information exchange and promoting compliance, remains a strategic priority for the JCA. Between April 1, 2025 and August 31, 2025, the JCA hosted 28 social media campaigns, 8 traditional media initiatives and online workshops/awareness engagements. These initiatives included:

- Workshop/Presentation: Online Presentation – Diaspora -England , Presentation – IMF CARTAC Regional Webinar
- Post Clearance Audit Session
- Business Continuity Plan Session
- Customs Business Interaction
- Valuation Awareness Sessions
- Exposition/Fair:
 - Expo Jamaica – National Arena,
 - Court Administration Division Public Education Day – Portland Parish Court,
 - Tourism Enhancement Fund Stakeholder Seminar,
 - Jamaica Special Economic Zone Authority,
 - JCF Transformation Expo 2.0,
 - Jampro/Jamaica Trade and Invest Exporter's Information Session.

These initiatives reflected the JCA's continued efforts to foster an inclusive and responsive Customs Administration.

Legislative Reform (Customs Act, Regulations and Rules):

The JCA undertook a series of critical reviews and stakeholder engagements to refine and improve the Customs legislation and supporting framework. Key activities undertaken were as follows:

- Customs Act, 2025:
 - Reviewed the First Schedule and made comments on sections of the latest iteration received from Printing Office.

- Reviewed all sections of the printed copy of the April 2, 2025 version, conducted a joint comparative review of the drafting instructions sent by the JCA, and commenced drafting instructions for review.
- Reviewed submissions from the Ministry of Foreign Affairs and Foreign trade in respect of duty free entitlement of returning Foreign Service officers.
- Completed a comparative review of all sections of the printed Customs Bill provided by Printing Office in April 2025, including the First Schedule.
- Conducted a joint review of corrections to the Customs Bill with the Legislative Counsel of the Houses of Parliament.
- Liaised with internal parties, legislative counsel at the Houses of Parliament, the Printing Office, and the Chief Parliamentary Council to ensure alignment and finalization of drafting instructions.
- Prepared draft Brief concerning Clause 224 of the Customs Bill.
- Revised and updated the Discussion Paper on Advance Rulings

In preparation for the development of New Customs Regulations, the JCA finalized a Project Charter proposing the formation of a Legislative Modernization Project Team. This initiative aims to provide dedicated resources including a consultant, to expedite the drafting process while ensuring that the framework is robust and aligned with best practices.

Human Resource Management and Development

The JCA's staff structure or establishment at the commencement of the fiscal year stood at 1,781 posts. At the end of August 2025, the total number of posts filled was 1,453 or approximately 82.0 percent. Hence, 328 or approximately 18.0 percent of posts remain to be filled. However, the actual staff complement reported as at August 31, 2025, was 1,475 staff⁷, with females accounting for 911 staff or approximately 62 percent while males netting 564 staff or 38.0 percent.

The JCA remains committed to developing a cadre of competent and professional staff. Ending August 31, 2025, 77 training interventions, both local and overseas, were offered to staff. The coverage of these interventions ranged from technical customs-related topics to soft skills, all aligning with staff development goals.

Importantly, 480 staff members received at least 5 days of training, the established performance standard. The year-to-date (YTD) performance at the end of August 2025 registered 480 staff compared to 223 staff for the previous fiscal year same period receiving a minimum of 5 days of training. This represents a 115.0 percent increase over the 223 staff that benefited during the same period of 2024.

The JCA's strategic focus on human capital development reflects its broader commitment to institutional strengthening and service excellence.

⁷ The difference between staff complement and post filled is attributed to (1) short term/temporary contracts and (2) staff existing on JCD Structure.