MINISTRY OF FINANCE AND THE PUBLIC SERVICE

CLOSING BUDGET PRESENTATION 2026

TUESDAY, MARCH 24, 2026

PROTECTING FISCAL SUSTAINABILITY, POWERING RECONSTRUCTION & GROWTH

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Minister of Finance and the Public Service

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TOPICS

Introduction

Madam Speaker, we have come to the end of another budget debate, another significant milestone in Jamaica's democratic history. I believe Jamaicans will agree that this was one of the most engaging budget debates.

As we close the Fiscal Year 2025/26, the year of the Category 5 Hurricane Melissa, we say thank you to the Almighty for safe passage. We know that many Jamaicans have been buffeted and bruised by Hurricane Melissa and some have died. We mourn with the families. This Government remains committed to helping survivors stand back up on their feet. Thank you Jamaicans, from all walks of life, here and abroad, for your continued faith and confidence in this Government and for your patience, as together we forge our way through the aftermath of the climate catastrophe, Category 5 Hurricane Melissa, that befell us.

Madam Speaker, let me pause to acknowledge my husband who supports me every step of the way, our children, my brothers, sisters and many other family members, my faithful constituents from St. Andrew Eastern, the Financial Secretary and staff at the Ministry of Finance and the Public Service, friends, the people from my hometown, Tydixon, Jamaicans all.

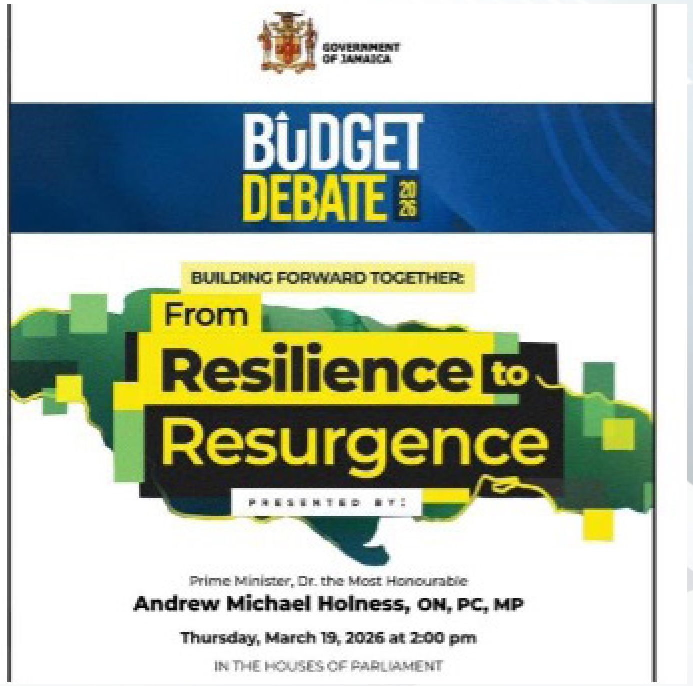
Madam Speaker, we look to the new Fiscal Year, FY2026/27 and beyond, with great optimism for reconstruction, growth, resurgence in the economy and in the lives of all Jamaicans. I know that whatever station we are in life, we carry within us a desire for better, to achieve more, to continue moving up. This is the commitment of this Government to work diligently so that all Jamaicans, not some, all Jamaicans can achieve their full potential.

Thank you for your significant engagement during this budget period. Our democracy is stronger for it. I am more energised to do your work, the work of the people of Jamaica.

Resilience to RESURGENCE

Madam Speaker, the cornerstones to move us from Resilience to RESURGENCE have been laid.

- The National Reconstruction and Resilience Authority (NaRRA) will enable execution of resilient infrastructure projects at a scale and speed this country has never seen before.
- Coupled with NaRRA is FAST Jamaica (Facilitated Acceleration of Strategic Transformation) to fast-track strategic priority investments of US$150 million or more that can commence implementation within a year and can be integrated into the NaRRA network of projects.



Madam Speaker, the cornerstones to move us from Resilience to RESURGENCE have been set and driven by the Builder himself, Prime Minister Andrew Holness. Jamaicans can expect a new and different Jamaica to unfold over the next three to five years right before our very eyes:

- **Black River –** Rebuilding Forward Smarter and Better
- Hopewell and Lucea Bypass and Lucea Harbour Development
- **Montego Bay –** Revitalising our Tourism Capital
- **Falmouth –** A blueprint for climate-resilient coastal communities
- North-South Highway extension project
- **Port Antonio –** Birthplace of Caribbean Tourism, reimagined
- St. Thomas Port
- **Port of Kingston –** Building the Region's Premier Logistics Hub
- **The Government Campus –** National Heroes Circle
- **Kingston Public Hospital –** Rebuilt to modern international standards, with resilience, continuity of care and disaster readiness embedded to its core.
- **Vernamfield Lite Project**
- **Roads –** not only will we have new corridors for agricultural, industrial and tourism development but,

Madam Speaker, we will ensure no community is ever again isolated when disaster strikes.

- **Housing –** the most ambitious housing programme in the NHT's history will be rolled out covering developments in St. Catherine, Trelawny, Manchester, Clarendon, Westmoreland, St. Thomas, St. Mary, Kingston and beyond.
- **Unlock Urban Potential –** we will turn blighted urban spaces into vibrant communities featuring urban gardens, parks, and recreational areas accessible to all. We will have thriving centres for local businesses, arts, and culture, breathing new life into communities; we will create affordable housing and service centres that provide dignity and stability for vulnerable residents.

Madam Speaker, Jamaicans can indeed expect a new and different Jamaica to unfold over the next three to five years right before our very eyes!

Madam Speaker, we have a Builder with vision, a Builder with integrity and energy and a Builder with a proven track record. **Madam Speaker,** the Builder did not just give the vision, he gave a blueprint but more importantly, the Builder told Jamaicans unequivocally how that vision will be financed! The US$6.7 billion package secured from our international partners (World Bank, IADB, IMF, CAF and CDB), with US$2.4 billion of that US$6.7 billion earmarked to crowd-in the private sector, is a big part of that financing. **Madam Speaker,** this was a coherent package. International financing is in place; never before in the history of Jamaica have we seen such a big financing package.

Crowding-in the Private Sector

Of significance, **Madam Speaker,** our local financial markets with the many reforms I announced, will have the greatest opportunity to participate in the rebuilding of Jamaica, our Jamaica, rebuilt the way all of us want it to be: strong, resilient and providing for the growth and development of industries and the people of Jamaica. **Madam Speaker,** I announced a raft of reforms across the financial sector that are expected to unlock capital for the reconstruction and resurgence of Jamaica.

Update on Pension Reform

Madam Speaker, in addition to lifting the limit for pension funds from 5% to 7.5%, in the first instance, and then 10% by April 2027 to allow them to participate in local corporate and infrastructure financing, **Madam Speaker,** I promised the pension industry the implementation of Phase 2 of the pension reform, which includes the long-awaited changes such as portability. Simply put, this means that when you leave a company and go to another company, your pension can follow you.

Madam Speaker, I want to say to the President of the Pension Industry Association of Jamaica, I read your article in one of our daily newspapers and like you, I want the pension reforms Phase 2 to be implemented. This is way past overdue. However, I also want to say that you will be pleased to see how far along the legislation is. I look forward to scheduling a follow-up meeting with you.

GOJ Procurement to Benefit SME's

In addition to the raft of financial sector initiatives, designed to unlock capital while maintaining the guardrails on risk, is the Government's commitment to implement the Public Procurement (Set Asides) Framework, which I announced in my Opening Budget Speech. I am happy to say **Madam Speaker** that the Public Procurement Commission (PPC), the Ministry of Finance and the Public Service, the Ministry of Industry, Investments and Commerce and the Development Bank of Jamaica will be coordinating to host a public meeting to prepare small businesses for Government contracts. The meeting is designed to help entrepreneurs understand and access Government procurement opportunities.

The public meeting will show our entrepreneurs how to qualify. They will hear about registration and compliance and they will hear directly from the Ministry of Finance and the Public Service, the Public Procurement Commission, The Development Bank of Jamaica and Ministry of Industry, Investments and Commerce, Minister Aubyn Hill and the Small Business Association.

Madam Speaker, the executives of the Small Business Association came to see me in my office at the Ministry of Finance and the Public Service on January 9, 2026, specifically on this matter of the Public Procurement (Set Asides) framework.

Madam Speaker, the Opposition Spokesman on Finance made much of prior announcements on the MSME procurement framework. He even came with newspaper articles. Well, Opposition Spokesman on Finance, it is now being implemented.

I am pleased to note that since I met with the leadership of the Small Business Association, the Public Procurement Commission (PPC) has been working on establishing and maintaining a verified list of qualifying small business suppliers so they can easily identify eligible businesses when applying the Set Asides Provisions.

So, **Madam Speaker,** as a Government, we say to small business owners, Get Ready! March 26 at 1:00PM is the date and EXIM Bank's meeting room is the place. We are calling on all micro enterprises with an annual turnover below $15 million and Small Businesses with turnover between $15 million to $75 million to learn about the Government's procurement process. This is a big deal!!

To think of it **Madam Speaker,** we may have to open this meeting to the online portals and platforms because I have already begun receiving positive interest from small businesses from across Jamaica.

Madam Speaker, I must confess; this is an announcement that gives me great joy to share details because now, **"you don't have to be big to bid."** The small contractor can now bid on projects within her company's capability. The tech start-up can now have a fair chance to bid at digitising records for our Ministries, Department and Agencies. This is what this opportunity looks like under this administration. Small businesses will finally have a chance at government procurement.

Stock Market Sandbox

Madam Speaker, it is no secret that I want to see more and more companies listed on the Jamaica Stock Exchange to create an even more vibrant market and open possibilities for more of our local businesses.

I am pleased to announce that the Jamaica Stock Exchange has established a **Stock Market Sandbox,** which is a simulated market environment designed to prepare businesses for the realities of operating as a publicly listed entity.

The Sandbox will expose prospective companies to the reporting obligations, corporate governance standards, and regulatory expectations they will face once listed. This **Stock Market Sandbox** is set to begin on April 17, 2026 for companies that want to list but have questions about the process.

Madam Speaker, the **Stock Market Sandbox** will provide a low-risk setting that allows companies to learn, adapt and build capacity before entering the live market. This innovation is expected to significantly improve the quality and readiness of businesses entering the Micro and Junior Market, reduce compliance failures post-listing, and create a sustained, well-prepared issuer development pipeline for years to come.

While this is happening, **Madam Speaker,** the Jamaica Stock Exchange is currently working in close partnership with the Jamaica Business Development Corporation (JBDC) to identify and prepare the first cohort of businesses for listing on the Micro market. An initial group of **25 entities that** have successfully graduated from the JBDC's accelerator programme have been identified as primary candidates. These businesses have already demonstrated a level of operational discipline and growth readiness. **Madam Speaker,** let me add my own congratulations to those businesses and I look forward to sharing more on their successes as the programme develops.

The Digital Eeconomy

Madam Speaker, I now take this opportunity to share with those who might have doubted our ability to navigate the world of digital trade. To them, I say the following: Firstly, many persons may not know but Jamaica is the current chair of the UN Task Team on Digitalisation under the UN Committee of Experts on Business and Trade Statistics. This means the Committee provides guidance, coordinates and standardises business and trade statistics, focuses on areas like globalisation, digitalisation, and statistical capacity building in member states and this work is being led by one of our very own Jamaicans through the Bank of Jamaica.

This is a very big deal!

Madam Speaker, Jamaicans should be proud to know that Jamaica was featured in the 2023 edition of UN/WTO/OECD Handbook on Measuring Digital Trade, which included a case study on digital trade measurement involving Jamaica. The team's work looked at issues such as digital trade, e-commerce and cross-border digital services. Much of the work the group is doing internationally focuses on the measurement issues governments around the world face when designing policies on digital trade and digital taxation.

Madam Speaker, as the global economy becomes increasingly digital, countries must adapt how they understand and respond to new forms of economic activity. Services already account for a substantial share of Jamaica's GDP, and an increasing portion of this activity is taking place through digital and cross-border channels. This is not simply a matter of getting revenues, but of ensuring that our economic systems are properly equipped to understand these developments. We are therefore strengthening our capacity to better measure and interpret digital economic activity, so that our policies remain fair, balanced, and grounded in accurate information. **Jamaica has provided global leadership on measuring digital economic activity.**

Having provided that context, **Madam Speaker,** let me say that the definition of digital trade has evolved and digital trade is now defined as being:

THE DIGITAL ECONOMY

1. Digitally ordered and digitally delivered

2. Digitally ordered and physically delivered*

These goods are already taxed and are not the subject of the digital revenue measures.

3. Physically ordered and digitally delivered

Madam Speaker, definition #2, **digitally ordered and physically delivered,** are goods that come into Jamaica through our ports and are already subject to taxes and duties. Obviously, these will **not** be subject to any further taxes and duties as a result of the revenue measures. **Madam Speaker,** let me say it clearly, digitally ordered and physically delivered trade was not included in our revenue measures.

However, **Madam Speaker,** for **measurement purposes,** that is, when measuring digital trade in order to know how large Jamaica's digital economy is, definition #2 is included. So **Madam Speaker**, the size of Jamaica's digital economy is larger than the portion on which the revenue measures will be calculated. This definition, that includes #1, 2, and 3, is used by many countries including Jamaica.

Impact on our Local Retailers and De Minimis Policy

Madam Speaker, in my Opening Budget Presentation, I did speak to the impact on our local retailers and the competition they face with un-taxed items coming on to our shores. The Opposition Spokesman on Finance, rightly so, pointed to the increase in the De Minimis threshold that this government implemented, and asked if this is not policy contradiction.

Madam Speaker, you will recall that as of April 1, 2024, the De Minimis threshold in Jamaica was increased to **US $100** from US$50. Goods imported for personal or commercial use with a Free on Board (FOB) value of US$100 or less are exempt from Customs Duty and related taxes. If the value exceeds US$100, duties apply to the total CIF amount. CIF means Cost, Insurance and Freight.

Madam Speaker, when the De Minimis threshold was increased from US$50 to US$100, it was not expected that we would see splitting up of orders to avoid the taxes and duties. By splitting up, I mean the instances in which if you are ordering from the same vendor, instead of making 1 order, you make multiple orders. Take a scenario in which you are ordering two items and they cost US$100 each, that's a total of US$200. Packaged and shipped in one package of US$200, there would be tax on the CIF. Instead, what we are seeing is a splitting of the orders to fall within the US$100 De Minimis allotment and an increase in the number of US$100 and under-valued packages.

Madam Speaker, the unforeseen consequence is that no revenues flow to the treasury. I must add, **Madam Speaker**, this is quite regrettable and was simply **not the intent of the De Minimis policy.** Again, **Madam Speaker,** forgive me if I am being pedantic, but it is imperative that everyone understands what I have to share. When I draw a reference to our local retailers, it is because they are feeling the impact of untaxed goods coming in. So, to the Opposition Spokesman on Finance, I trust this explanation clarifies your assertion.

Digital Maturity Levels

e-Invoicing

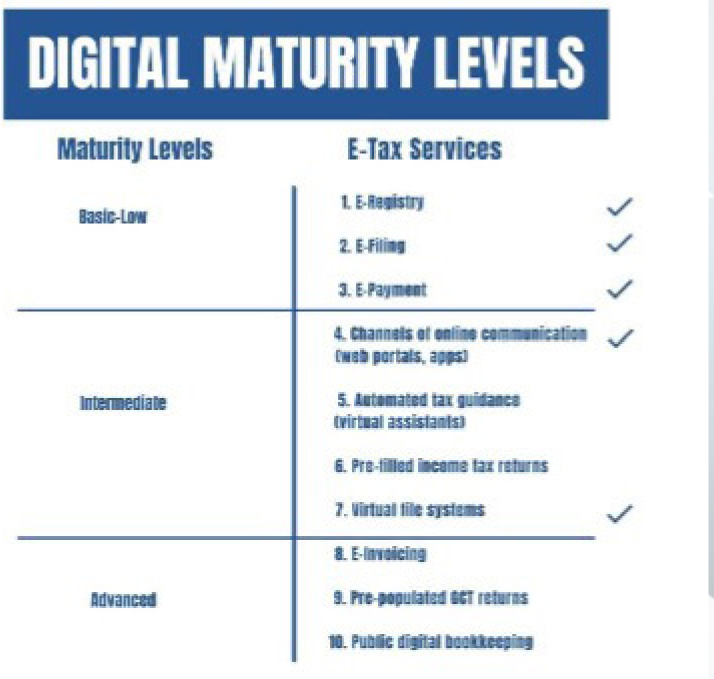
Madam Speaker, the Leader of Opposition and the Spokesman on Finance both spoke to e-invoicing to generate additional revenues. Thank you for that. I welcome the public discussion on e-invoicing for all the benefits that it will provide, chief among them are:

- Improved tax collection and compliance
- Faster detection of fraud and anomalies
- Reduced administrative burden
- Better and timelier data

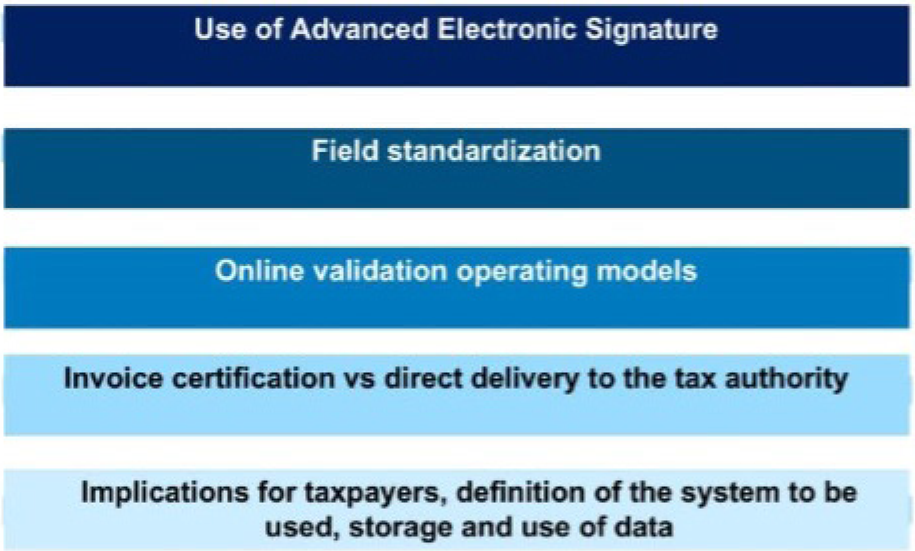
Madam Speaker, Jamaica has been on a journey in the modernisation of Tax Administration Jamaica (TAJ). The IDB-Inter-American Development Bank - has been a partner with the TAJ since 2014 when the **R**evenue **A**dministration **I**nformation **S**ystem (RAiS) began being implemented. Yes, the PNP government at the time started the modernisation journey for the Tax Administration Jamaica. The RAiS system, at the start, represented a major effort to improve tax compliance, streamline tax collection services and helped Jamaica to transition from a largely manual process to a comprehensive, web-based tax administration platform. We, on this side, have continued that journey to include a significant upgrade of the system by March 2027 to, among other things, make it easier to navigate the TAJ's website. The Cabinet recently approved the procurement.

Madam Speaker, our journey is set to begin with the scoping research for e-invoicing based on the digital maturity level of the TAJ's system. As you can see, **Madam Speaker,** many modules have been installed over the years from e-registry, to e-filing to e-payment through to virtual file systems.

Now, **Madam Speaker,** we have done all the work since 2014 to get to this point where it is possible for e-invoicing to be worked on. Thank you to the dedicated team at TAJ. It is going to require use of advanced electronic signature, field standardisation (meaning how the data is collected), online validation operation modules, invoice verification and will require technology to be deployed for interconnectivity between the taxpayers' system and that of the TAJ. Because as you can imagine, **Madam Speaker,** e-invoicing is massively more transaction-intensive than anything the TAJ has done in its history.


DIGITAL MATURITY LEVELS

Maturity Levels	E-Tax Services	
Basic-Low	1. E-Registry	✓
	2. E-Filing	✓
	3. E-Payment	✓
Intermediate	4. Channels of online communication (web portals, apps)	✓
	5. Automated tax guidance (virtual assistants)	
	6. Pre-filled income tax returns	
	7. Virtual file systems	✓
Advanced	8. E-Invoicing	
	9. Pre-populated GCT returns	
	10. Public digital bookkeeping	



Madam Speaker, we expect for e-invoicing to take at least 2-3 years to roll-out and be fully operational. As you can see, it has taken other countries, with more resources, a lot longer to roll out. So we are being very ambitious in our 2-3 years' timeframe expectation. So we would be looking at FY2029/30 to begin to see a working e-invoicing system in Jamaica.

Madam Speaker, contrary to what the Opposition Spokesman on Finance would have us believe, there are no revenues to be earned from e-invoicing that the Opposition Spokesman on Finance could credibly include in the budget for the upcoming fiscal year (FY2026/27) or even the next fiscal year (FY2027/28).

But, **Madam Speaker,** let me say unequivocally, that I welcome the discourse and the Opposition's support and their positive stance for e-invoicing to be implemented in Jamaica with alacrity. I know we don't often see eye-to-eye on most matters, but on the need to move toward implementation of **e-invoicing, we can both claim that Jamaica will stand to gain.**

E-INVOICING

COUNTRIES	NUMBER OF YEARS FOR ROLL-OUT
Mexico	3
Brazil	5-6
Chile	7-10
Argentina	6-8
Peru	4
Italy	2-4
India	2-3
Columbia	3
Uruguay	5
Ecuador	3
Spain	2-4
Hungary	2-3
Poland	2-3
Saudi Arabia	2
Romania	3

	$'000,000	$'000,000
Opposition's Budget Contribution	**FY2026/27**	**Adjusted**
Electronic invoicing system	$ 8,600	$ -
Digital Nomad	$ 1,200	$ -
Bank of Jamaica	$ 1,000	$ -
Factories Corp	$ 1,000	$ -
End NHT contribution	$ (11,400)	$ (11,400)
No Revenue Measures	$ (18,000)	$ (18,000)
Financing Gap	$ (17,600)	$ (29,400)
Expenditure		
Reduce transfer to AAJ	$ (2,000)	$ (2,000)
Total Reduction. In Expenditure	**$ (2,000)**	**$ (2,000)**
Financing GAP	$ (15,600)	$ (27,400)
Interest Expense to be accounted for in the next Fiscal Year	$ 940	$ 1,644

Madam Speaker, so when the Opposition Spokesman on Finance said that he would include in his figures for replacing the revenue measures for this upcoming fiscal year, $8.6B from e-invoicing, I have to ask, **Madam Speaker,** *"What can go so?"*

e-Invoicing

Opposition Spokesman on Finance, there are no e-invoicing revenues that can be realistically expected in the upcoming fiscal year, FY2026/27, nor might I add, in the next fiscal year to replace $8.6B of revenue measures. There is no magic bullet of e-invoicing gains that every global expert knows take years to materialise. So **Madam Speaker,** let's X that figure out.

PROPOSAL FROM THE OPPOSITION SPOKESMAN ON FINANCE

	$000,000	$000,000
Revenues	FY2026/27	Adjusted
E-Invoicing System	~~$ 8[illegible]00~~	$ 0

Madam Speaker, this Government will not gamble with the future of our country. We do not seek to score cheap political points by entrusting the future of the vulnerable, the continued stability of the Jamaican dollar, the sustainability of our national debt, and our hard-earned reputation for central Government's prudent fiscal management, on the **fantasy of major software upgrades happening overnight.** We have chosen the path of fiscal responsibility because it is the only credible path that leads to a stable recovery and that is the house that this side will continue to build.

Digital Nomad

On the issue of digital nomad, **Madam Speaker,** the proposal from the Spokesperson on Finance reflects a worthwhile instinct, but it illustrates the difference between identifying a promising concept and presenting a fully developed fiscal instrument. A digital nomad programme may well have merit as part of a broader strategy to diversify Jamaica's visitor economy, attract long-stay remote workers and stimulate spending in select sectors; however, it does not yet stand up as a sufficiently robust revenue measure for replacing the revenue measures in the upcoming fiscal year, FY2026/27.

Madam Speaker, the issue is not that the idea lacks potential, but that it has been advanced without the level of policy architecture, implementation detail and fiscal realism required for serious budget planning. Even in a sister Caribbean country that introduced the concept five years ago and has often been cited as an early mover, the results suggest caution rather than easy optimism: thousands of digital nomads were attracted over the period. Yet, the revenue yield remained relatively modest. underscoring that such programmes are better understood as medium-term economic enhancers than immediate fiscal solutions. **Madam Speaker,** the more thoughtful commentary that has since emerged is therefore correct: the proposal points in an interesting direction, but it requires considerably more work on eligibility, infrastructure, tax treatment, housing implications, health coverage, administrative design and projected returns before it can credibly be presented as a measure capable of materially strengthening the Government's revenue position for the upcoming fiscal year FY2026/27. And so **Madam Speaker,** I will also X that figure out for this upcoming fiscal year, FY2026/27.

PROPOSAL FROM THE OPPOSITION SPOKESMAN ON FINANCE

	$000,000	$000,000
Revenues	FY2026/27	Adjusted
E-Invoicing System	~~$ 6,600~~	$ 0
Digital Nomad	~~$ 1,200~~	$ 0

Factories Corporation

The Opposition Spokesman on Finance said he would take $1B from Factories Corporation, which is a Government entity that develops, leases and manages industrial and commercial real estate throughout Jamaica. The primary goal of Factories Corporation is to drive economic growth by providing the infrastructure needed for businesses to operate. So, Opposition Spokesman on Finance, are you sure you want to take $1B out of a company that helps to drive economic growth? I don't think so, I will X this one out as well.

PROPOSAL FROM THE OPPOSITION SPOKESMAN ON FINANCE

	$000,000	$000,000
Revenues	FY2026/27	Adjusted
E-Invoicing System	~~$ 8,600~~	$ 0
Digital Nomad	~~$ 1,200~~	$ 0
FCJ	~~$ 1,000~~	$ 0

$1B from the Bank of Jamaica

Madam Speaker, of all the things the Spokesman on Finance said, the one that alarms me the most is that he said he would **take** an additional $1 billion from the Bank of Jamaica. **Madam Speaker,** the Bank of Jamaica, by law, determines the level of dividends that can reasonably be transferred in any year to the central government. There are strict guidelines in law. It is not advisable that a Minister of Finance calls the Bank of Jamaica and takes "an additional $1 billion." So, what happens if you need $20 billion, $100 billion, $200 billion, would you simply **take it from the Bank of Jamaica?** Spokesman on Finance, that was what obtained, in the long ago days when inflation ruled unfettered in Jamaica, in say 1972 to 1980.

Madam Speaker, the Bank of Jamaica became independent on April 15, 2021. It conducts a very sensitive monetary policy free of political interference and FYI, you can't just take an additional $1 billion from the Bank of Jamaica, even if you think it won't "compromise the institution's core function or its operational capacity." **Madam Speaker,** it appears the Opposition's Spokesman on Finance is telegraphing the intention of the Opposition if it ever sits in the seat of Government.

Madam Speaker, a government cannot simply **take** billions of dollars from the Bank of Jamaica for funding its budget. The amendments to the Bank of Jamaica Act, which established the inflation targeting regime and central bank independence, places explicit and stringent guard rails around how resources can move from the Bank of Jamaica to Government.

Madam Speaker, those Jamaicans who are in business, know that only "realised" profits can be distributed. It is the same for the Bank of Jamaica - only "realised" profits can be distributed and the Bank of Jamaica's capital to monetary liability ratio (CMLR) has to be at least 5% before any profits can be distributed. **Madam Speaker,** it is important that the Opposition understands that only 25% of realised profits are distributed when capital to monetary liability ratio is greater than 5% and less than 8%. All the realised profits are distributed when the capital to monetary liability ratio is greater than 8%. No profits can be distributed if the capital to monetary liability ratio is less than 5%. In fact, the Government has to inject capital into the Bank of Jamaica if the ratio falls below 3%. So really, in effect neither the Bank of Jamaica or the Government has any discretion where the distribution of profits are concerned.

Madam Speaker, I was the Junior Minister in the Ministry of Finance and the Public Service in 2017/2018 when the work started to establish the Bank of Jamaica as an independent institution responsible for the policy directive for inflation to be in the 3-6% range. **Madam Speaker,** we have lived with relatively predictable inflation in Jamaica over many years and so I say to the Opposition Spokesman on Finance, don't try to sell to Jamaicans the notion that you can simply **take $1B** from the Bank of Jamaica. We have worked too hard to achieve a relatively stable inflation environment for anyone to try to undermine that very important pillar of our economy. As a matter of fact, **Madam Speaker,** come to think of it, the Opposition has zero, zero experience managing Jamaica in an inflation targeting environment. There is a thing or two, **Madam Speaker,** that the Opposition needs to learn.

Madam Speaker, let me further state that in addition to the guard rails around dividends from Bank of Jamaica to the Government, any lending by the Bank of Jamaica to the Government cannot exceed 5% of the average of the Government's recurrent revenue over the previous three years and it has to be repaid no later than four months after the end of the fiscal year that the advance was and a national emergency would have to be declared by the Minister and ratified by Parliament before the Bank of Jamaica can lend to the Government. And **Madam Speaker,** in terms of foreign currency, if the Government wants foreign currency from the Bank of Jamaica, the Government has to buy it.

Madam Speaker, have you ever looked back in our history as a country and wonder why we seem to take one step forward and two steps back? Here is a perfect example, an Opposition Spokesman on Finance thinking he can just **take a $1B** from the Bank of Jamaica. The Bank of Jamaica Act has placed tight restrictions on a Government's ability to take from the Bank of Jamaica. So **Madam Speaker,** I am X-ing out the $1B from the Bank of Jamaica.

PROPOSAL FROM THE OPPOSITION SPOKESMAN ON FINANCE

	$000,000	$000,000
Revenues	FY2026/27	Adjusted
E-Invoicing System	~~$ 8,600~~	$ 0
Digital Nomad	~~$ 1,000~~	$ 0
FCJ	~~$ 1,000~~	$ 0
BOJ	~~$ 1,000~~	$ 0

Madam Speaker, the "Maths is not maths-ing" for the Opposition. When you replace recurring revenue streams, which is what the NHT contributions and the revenue measures are, when you replace those with debt, you have to keep borrowing because next year you will be in the same position. You have to find borrowed funds again to replace the recurring NHT and revenue measures and it never stops, obviously, unless you cut expenditure and/or get additional revenues.

To those of you who may want additional clarification on what this will look like, let me give you the following example.

PROPOSAL FROM THE OPPOSITION SPOKESMAN ON FINANCE

		FY2026/27	FY2027/28	FY2028/29
NHT contribution	$11.4B	$0	$0	$0
Revenue measures	$18.0B	$0	$0	$0
Total Revenues	**$29.4B**	**$0**	**$0**	**$0**
Expenses				
Transfer to AAJ			$2.0	
Total Expenses	$29.4B	$29.4B	$31.4B	$29.4B
Surplus/(Deficit)	$0.0	$29.4B	$31.4B	$29.4B
Borrowings		$29.4B	$31.4B	$29.4B

Assume the NHT contribution of $11.4B and the Revenue Measures of $18B are the only sources of income to the Government. These are recurring. This means that every year you can count on those funds going into the treasury. But the Opposition Spokesman on Finance has said, "No NHT contribution and No Revenue Measures." In discontinuing the NHT contribution and not doing the Revenue Measures, where would the money come from? The Opposition Spokesman on Finance said he would borrow. Ok, that is his alternative budget.

So, the Opposition Spokesman on Finance borrows to replace the NHT contribution and the Revenue Measures in the upcoming FY2026/27. What happens in year 2, FY2027/28? The Opposition Spokesman on Finance has to borrow again because the recurrent expenditures are not going away but this time the Opposition Spokesman on Finance has to borrow more because the $2B that the Opposition Spokesman on Finance never sent to Airports Authority of Jamaica (AAJ) because the Opposition Spokesman on Finance decided to defer construction of AAJ's corporate head office into FY2027/28 is needed. The contractors are ready to mobilise. The contractors are anxious. The Opposition Spokesman on Finance would have to include this $2B in his borrowing in FY2027/28. **Madam Speaker,** what happens in year three, FY2028/29? The Opposition Spokesman on Finance has to borrow again in year three. **Madam Speaker,** I am sure you get the picture. And this little table shows the folly of that.

So, **Madam Speaker,** instead of the need to borrow $29.4B, you are now at $31.4B in FY2027/28 and then back to $29.4B in borrowings in FY2028/29, assuming no other expenses pop up on you. **Madam Speaker,** these are the intricacies of how numbers in one budget year relate to the numbers in another budget year and when you lose recurrent revenues, trying to replace it with debt is a state of illusory happiness or false contentment based on misconceptions or a refusal to accept the truth of a situation.

No Coordination

Madam Speaker, the Opposition Spokesman on Finance, presented a case for using **$19B** in debt to replace the revenue measures in the upcoming fiscal year. I have demonstrated that he will need more than that in debt because the e-invoicing and digital nomad revenue streams are not going to materialise for the next 2 to 3 years. Additionally, the Opposition Spokesman on Finance would have to keep borrowing to deal with the recurrent expenditure as a result of not having the benefit of the contribution from the NHT or the Revenue Measures.

Leader of the Opposition

Madam Speaker, on the part of the Leader of the Opposition, he said he identified revenues of about 2% of GDP from compliance. Our projected GDP for FY2026/27 is **$3 trillion, 857 billion** and so 2% of that would be approximately $77B. So, my question is **Madam Speaker,** if the Opposition Leader identified $77B of new revenues from compliance, why then would the Opposition Spokesman on Finance need to borrow any money at all?

Madam Speaker, it appears the left hand is not coordinating with the right hand. A Prime Minister-in-waiting and a Finance-Minister-in-waiting are possibly not talking. Again, "What can go so?"

Promises Made by the Leader of the Opposition - Not Anchored in Reality

Madam Speaker, I turn now to what was presented by the **Leader of the Opposition** and his many promises that the Jamaican people are not likely to see fulfilled. Once again, today, I will demonstrate how unhinged are the many proposals that the Leader of the Opposition has put forward.

The Leader of the Opposition said that his compliance initiatives would yield some 2% of GDP. He did not indicate a specific timeframe which is critical in these deliberations. So I am just going to assume that is all happening in the upcoming fiscal year in the absence of better particulars. **Madam Speaker,** you may recall that the Leader of the Opposition went on to rattle off a raft of promises. Let us see how they might look on paper.

		Jamaica's GDP for FY2026/27	**$**	**3,857,000,000,000**	
		Compliance initiatives		2%	
		Revenues Expected	**$**	**77,140,000,000**	
		Promises:			
Recurrent	1	Nutrition support to 245,000 school children every single school day	$	(69,825,000,000)	
		Assume $1,500 per day for 190 days for the school year			
Recurrent	2	Smaller classes	$	(41,250,000,000)	
		Have to hire more teachers; assume 1/3 more teachers or 9,000 teachers			
Recurrent	3	Transportation for 20,000 students outside the JUTC range	$	(1,900,000,000)	
		Assume $500 per day for 190 school days			
Recurrent	4	First in the family scholarship program	$	(4,387,200,000)	
		Bachelor's of Business Admin costs $457,000 per year			
		32,000 babies born annually of which roughly 30% are born to new mothers			
		9,600 First in the Family annually, approximately; children born 18 years ago			
Recurrent	5	Investing in teacher training	$	(300,000,000)	additional spe
		JTC provides Continuing Professional Development (CPD)			
Recurrent	6	Modern learning techniques and materials	$	(1,000,000,000)	
One-time	7	$1B revolving loan funds	$	(1,000,000,000)	
Recurrent	8	Path benefits for pregnant mothers	$	(2,100,000,000)	
		35,000 children born annually; $5000 per month			
Recurrent + Capital	9	14 support centers ; 1 in every parish for victims of abuse	$	(350,000,000)	Recurrent plus capital cost
Recurrent	10	Support for churches	$	(1,000,000,000)	
One-time	11	Clean Slate for thousands of Jamaicans	$	(701,760,000,000)	
		1,462,000 labout force;			
	12	End NHT $11.4B contribution	$	(11,400,000,000)	
	13	Minimum wage to transition to living wage	PIOJ to be tasked to develop this		
	14	**Total Deficit**	**$**	**(759,132,200,000)**	
	15	Spokesman on Financing	$	(19,000,000,000)	
	16	**Total Debt required to finance the spending**	**$**	**(778,132,200,000)**	
	17	Interest rate		7%	
	18	Additional Interest Expense	$	(54,469,254,000)	
	19	**TOTAL Financing Need**	**$**	**(832,601,454,000)**	
		Debt/GDP		**21.6%**	**vs 0.4%**
		Debt to GDP projected at end of FY2026/27 (MOFPS)		**65.70%**	
		Total Debt to GDP at the end of FY2026/27 (Opposition)		**87.29%**	

This is a return to profligacy, wanton spending and using debt to fulfil promises. We know where this took us during their administration. I don't know about you on that side but over here, we will not go back there!

Environmental Protection Levy

Madam Speaker, both the Opposition Leader and the Opposition Spokesman on Finance said the environmental protection levy will be going to the Consolidated Fund. Here is what they said:

> ***Environmental Levy***
>
> Madam Speaker, turning to the Environmental Levy. The name of the tax suggests that the cash flows from it will be directed toward environmental protection, toward our coastlines, our watersheds, our forests, the very natural infrastructure that Melissa reminded us we cannot afford to neglect. But the money goes into the Consolidated Fund. None of it is ring-fenced for environmental purposes. So we have a levy collecting money in the name of the environment, but it is not dedicated to the environment. It is treated as another revenue source for the government.

Source: Opposition Spokesman on Finance

Madam Speaker, the Minister with responsibility for Water, Environment and Climate Change will tell you that the Environmental Protection Levy is being pursued against the backdrop of the Government's signalled intent to boost green growth to enhance climate resilience. This includes a target to expand protected areas by 30% by 2030, with planned for declaration in the coming financial year. Jamaica is also working to establish global resolutions to address the increase in plastic waste, building on the single-use plastic ban that began in 2019.

Madam Speaker, the Opposition Leader and the Opposition Spokesman on Finance are dead wrong. They just need to look at Appendix 1, page five of the Fiscal Policy Paper that was laid in Parliament and a copy of which he received to see how much of the budget is spent on Environmental Protection and Conservation. In Fiscal Year 2024/25, the year of Beryl, $11.5B. In the Fiscal Year 2025/26, the year of Melissa, $13.2B. Looking forward, on average for the medium term, $9.1B will be spent each fiscal year on protection of biodiversity and landscape, pollution abatement, solid waste management and other environmental protection activities.

Spokesman on Finance, turn to page five in Appendix 1. There is spending on environmental protection and biodiversity and it does not need to be ring-fenced. There is integrity in the system. Reporting our budget by functional classification only started in FY2016/17, the year this government started in office, and so the Spokesman on Finance would not be aware of this development.

Non-Alcoholic Sweetened Drinks

Changes to the Special Consumption Tax (SCT) Non-Alcoholic Sweetened Beverages

Madam Speaker, following the announcement of the introduction of a Special Consumption Tax (SCT) on Non-Alcoholic Sweetened Beverages in February 2026, we have received feedback from a number of stakeholders including the beverage manufacturers and importers.

Madam Speaker, we are a listening Government. We listen to the various representations, carefully assess them and where they have merit, we act. I am therefore pleased to advise this Honourable House of a change in the approach to the SCT on Non-Alcoholic Sweetened Beverages that will make the measure more effective and more equitable.

Madam Speaker, let me be clear about intent. The SCT on Non-Alcoholic Sweetened Beverages was conceived, from the very beginning, as a health measure. Its purpose is to address the burden of non-communicable diseases — diabetes, obesity, hypertension — that bear down so heavily on our people and on our public health system.

The original announcement of a rate of 2 cents per millilitre was made for reasons of administrative simplicity. A volumetric tax is straightforward to calculate, to collect, and to verify. However, stakeholders pointed out, and we agree, that a flat volume-based tax does not vary by sugar content and therefore does not distinguish between a low-sugar and a high-sugar product. We took that concern seriously and because health has always been the underlying intent of the measure, we have redesigned the SCT to be based directly on sugar content, rather than on the volume of the beverage.

The Special Consumption Tax on Non-Alcoholic Sweetened Beverages will therefore be levied at a rate of 22 cents per gram of added sugar, rather than on the volume of the beverage.

Madam Speaker, this change will require some lead time for manufacturers, importers, and our tax administration to prepare. As a result, the SCT will go into effect on May 1, 2026 instead of April 1, as previously announced.

Madam Speaker, the logic of this design is simple and principled: it is the sugar that causes the harm, so it is the sugar that should be taxed. A beverage with no added sugar will attract no SCT. A beverage with modest added sugar will attract a modest SCT. A beverage with higher sugar content will attract a higher SCT — directly and proportionately. This is entirely consistent with how the SCT on alcohol is levied based on litres of pure alcohol. Importantly, **Madam Speaker,** this structure creates a genuine commercial incentive for manufacturers and importers to reduce the sugar content of their products. The lower the sugar, the lower the tax.

Madam Speaker, I also want to signal clearly that this is not the end of the conversation. As this is a new tax, we will monitor its application in practice — its effect on prices, on consumption patterns, on reformulation decisions, and on public health outcomes. We recognise that during implementation, practical questions may arise that were not anticipated in advance, and the Government is committed to working through those questions in good faith. We will continue a structured dialogue with both the beverage industry and with health professionals on how this measure can be strengthened and improved over time.

To manufacturers and importers, the message is straightforward: reduce the sugar in your products, and the tax burden falls. The Government is not seeking to harm a sector that employs thousands of Jamaicans. We are changing the incentive structure — and we believe the industry is fully capable of responding to it.

To the Jamaican public, I ask you to consider: there is hardly a family in this country that has not been touched by diabetes, hypertension, or obesity. These are not distant statistics — they are our parents, our children, our siblings, our neighbours.

Every lower-sugar product on our shelves is a step in the right direction. Every informed choice at the shop counter is an act of investment in your own health and in the health of this nation. This Government is changing the incentives — for industry and for consumers alike — because a healthier Jamaica is a more productive Jamaica, and a more productive Jamaica is the foundation of everything else we are trying to build.

Changes to the Environmental Protection Levy

Madam Speaker, we also received feedback on the changes announced to the Environmental Protection Levy. I had announced that the base on which the levy is applied for manufacturers would move from 75% to 100% of sales. The manufacturers raised a legitimate concern: that this change would place local manufacturers at a disadvantage relative to importers, on whom the Environmental Protection Levy is applied to CIF value — which naturally excludes the distribution margin that is embedded in the selling price. When the 75% base for manufacturers was introduced in 2015, it was deliberately designed to put domestic producers on a level footing with importers.

Madam Speaker, we are therefore retaining the 75% of sales base for manufacturers. However, **Madam Speaker,** to maintain revenue neutrality with the retention of the 75% manufacturers' base, we will have to increase the Environmental Protection Levy rate modestly from 0.80% as previously announced to 0.85% for both manufacturers and importers.

Madam Speaker, I want to be explicit on the fiscal position. Both of these changes have been carefully calibrated to be revenue neutral. The projected yield from the Non-Alcoholic Sweetened Beverages SCT and the Environmental Protection Levy remain as previously announced.

Summary

In closing this FY2026/27 Budget Debate, I choose to reiterate that history will only repeat itself should the Opposition have a chance to implement their recommendations. There is no way that Jamaica today can return to the Jamaica of the run-wid-it policies and the wanton abandonment of fiscal responsibility characteristic of their style of governance. Why else would they trot out, again this year, the raft of promises that cannot be fully funded? It is apparent that there is blatant disregard for the steady hand with which we have led and the diligence and stability that we have sought to the massive reconstruction opportunities that will become available to Jamaicans and the vision of a resurgent Jamaica.

The cornerstones to move us from Resilience to Resurgence have been set and have been driven by the Builder himself.

I confirm that this budget is designed to build a caring economy, a compassionate economy, one that improves lives and creates a stronger and more resilient nation by God's grace. So, **Madam Speaker,** I say from the bottom of my heart, God Bless Jamaica, Land We Love.

Thank you.

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