MINISTRY OF FINANCE AND THE PUBLIC SERVICE

OPENING BUDGET PRESENTATION 2026

TUESDAY, MARCH 10, 2026

PROTECTING FISCAL SUSTAINABILITY, POWERING RECONSTRUCTION & GROWTH

HON. FAYVAL WILLIAMS, MP, CFA
Minister of Finance and the Public Service

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TOPICS

Introduction

Madam Speaker, let me thank my constituents who have given me the opportunity to stand in Parliament for a third term to work on behalf of all Jamaicans. To our Prime Minister for his continued faith and confidence in me, my family and friends for their patience and unquestioned love, those who toil on behalf of the country in our various ministries, departments and agencies, especially at the MoFPS to where all roads lead. Thank you to the Financial Secretary and the entire team, the various department and agencies of the MoFPS. I know the long hours you log. I experience your commitment.

To my CPOs, Jamaicans from all walks of life who send me encouraging words, I appreciate you taking the time to lift me up. My WhatsApp gets filled up fast but I don't mind. Your words keep me going. Thank you.

Last year, during the budget cycle, Jamaicans saw me in the capacity of Minister of Finance and the Public Service for the first time. You now know that I was born in Tydixon, St. Catherine, attended Tydixon Primary School and then Ferncourt High School. What you don't know is that my life's journey took me to the United States to join my family. There I had the good fortune to meet a wonderful Jamaican man at business school at the Wharton Business School at the University of Pennsylvania. Marriage, employment in the financial sector in the United States and two beautiful children, a few years later, started to cement our permanence in the United States some many years ago. But a company in Jamaica made an offer to my husband to come work for them in Jamaica and so we packed up our belongings, saddled up our two children and set sail for Jamaica. And the rest they say is history.

As I look back and reflect on my life, my journey to be standing here again today as Jamaica's first female Minister of Finance and the Public Service, I say to all young girls across Jamaica, gender does not have to limit your aspirations.

I know finance and politics have traditionally been male-dominated fields. To that I say, "yes" that's a fact – not a barrier. So to all the young girls, I want you to see the fields of finance and politics as a challenge that you are more than equipped to honourably face. Never doubt your voice. To our women, at whatever point you are in your career, speak up and claim your seat at the table, even if you are the only woman there. It's your ideas and values that count, not your gender.

International Women's Day

Last Sunday, March 8th was International Women's Day. I shared the day at a church service with the Customs Brokers and Freight Forwarders Association of Jamaica at the Church of the Open Bible on Washington Boulevard. I also shared a social media post as well to wish all Jamaican women all the greatness they deserve. I said in the post, "We achieve greatness when we tap into our resilience and strive for growth in all we do."

But, **Madam Speaker,** my thoughts did not stop there. I reflected on stories that have been surfacing over time concerning our women, especially the stories about intimate partner violence and those stories of unwanted sexual overtures by some of our men who feel they have a right, or feel entitled.

Madam Speaker, I say to women all across Jamaica, because you do not object to the sexual overtures does not mean you give approval. Do not let anyone tell you that *"silence means consent".* Mash down that lie. It is one of those sayings that we are told from childhood days. That phrase, **Madam Speaker,** "silence means consent" is meant to shut us down. It is meant to have us crawl into ourselves and never utter a word about the abuse or the abuser. And so I say to all our Jamaican women, married or unmarried, and to our girls who are suffering in silence, I pray you find your voice. I encourage you to Speak Out. Your boldness will help to sensitise this Jamaican society and begin the change in the hearts and minds of each person in our society. I know of which I speak!!

To all our women and girls, know that this female Minister of Finance and the Public Service is in your corner. And so I say to you, "Even if no one believes your truth, still speak out."

Budget in the Context of a Category 5 Hurricane Melissa, a war in the Middle East, Oil Prices Spiking, and other Geopolitical Issues

Today, **Madam Speaker,** I present the nation's budget for the new Fiscal Year which starts on April 1, 2026 and ends on March 31, 2027. This new Budget comes a little over four months after the Category 5 Hurricane Melissa, that, at the last tally of the damage and loss, left us with a bill of some US$12.2 billion or, 56.7% of our 2024 GDP, according to PIOJ's latest estimate.

This Budget is also being presented in the midst of a serious war that has sent oil prices soaring on the global market. Jamaica imports 100% of our oil either as crude, which Petrojam refines, or as finished products. Petrojam projects its sales target at 12.22 million barrels for 2026. Add to this the millions of barrels that other suppliers in Jamaica buy for our consumption as households and as businesses.

Madam Speaker, the war in the Middle East has layered another risk in terms of rising oil prices on Jamaica. **Madam Speaker,** I want to say to the Jamaican people and businesses, you can continue to have faith in this Government. We have built the largest Net International Reserves of any Government. **Madam Speaker,** the NIR stands strong at US$6,839,000,000 as of March 5, 2026.

If we take the gross (rather than the net reserves) and measure it in *"weeks of goods and services imports"* that would be 36 weeks, based on the official figures the Bank of Jamaica published. The global international benchmark is 12 weeks, meaning, it's considered adequate for a country if its gross reserves covers 12 weeks of goods and services imports. Jamaica has 36 weeks. Our NIR is strong!

Madam Speaker, it is instructive to note that when we took over the Government in February of 2016 from the now Opposition, the NIR at that time was only US$2 billion, 269 million. But then, **Madam Speaker,** that side has never had a history of having a strong NIR. All of 1992 and 1993, they had negative Net International Reserves.

We have worked, **Madam Speaker** to ensure the Net International Reserves remain strong for moments like these because we know that the true purpose of the NIR is to protect Jamaica against the vagaries of the external world, one such is the significant sudden movement in oil prices. **Madam Speaker,** here is the perfect example of why we should not party with the rent money. We should not party with the NIR, **Madam Speaker.** We must keep it strong. It is one of our important buffers.

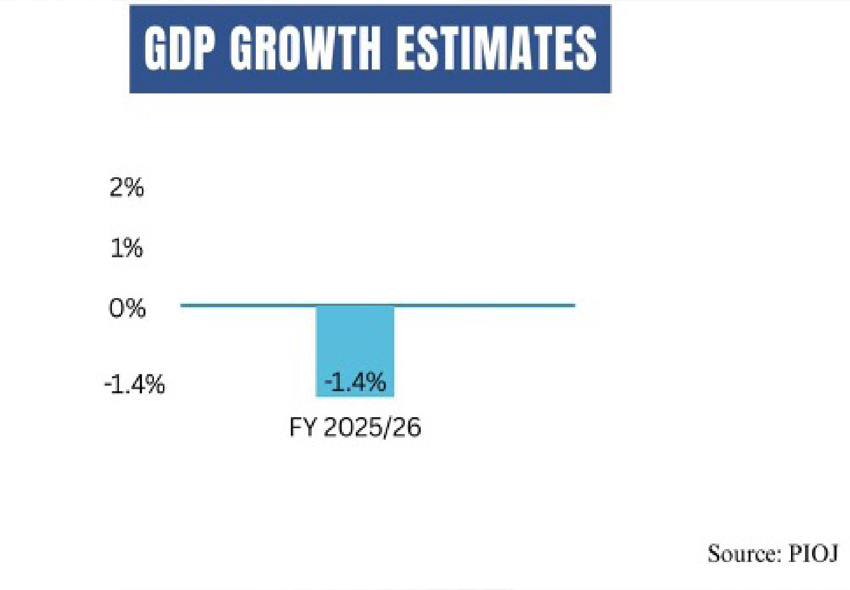
Madam Speaker, as a Government we will put our shoulders to the heavy task of reconstruction that is now required following the Category 5 Hurricane Melissa. The Jamaican people know that we will navigate through all the geo-political uncertainties and complexities that face us. We brought the nation safely out of COVID-19. We brought the nation through a Category 4 Hurricane Beryl and Tropical Storm Raphael, all in the same year in 2025. We have already demonstrated that we can take the nation through the Category 5 Hurricane Melissa and we will take the nation through this significant war in the Middle East that has impact oil prices. And so **Madam Speaker,** I say to the people of Jamaica, you have our assurance that no matter to what level the price of a barrel of oil goes, this Government has the leadership capability to lead Jamaica safely through any storm, oil price increase or any other geo-political issues that come our way. You have the evidence of our leadership. You can bank on us.

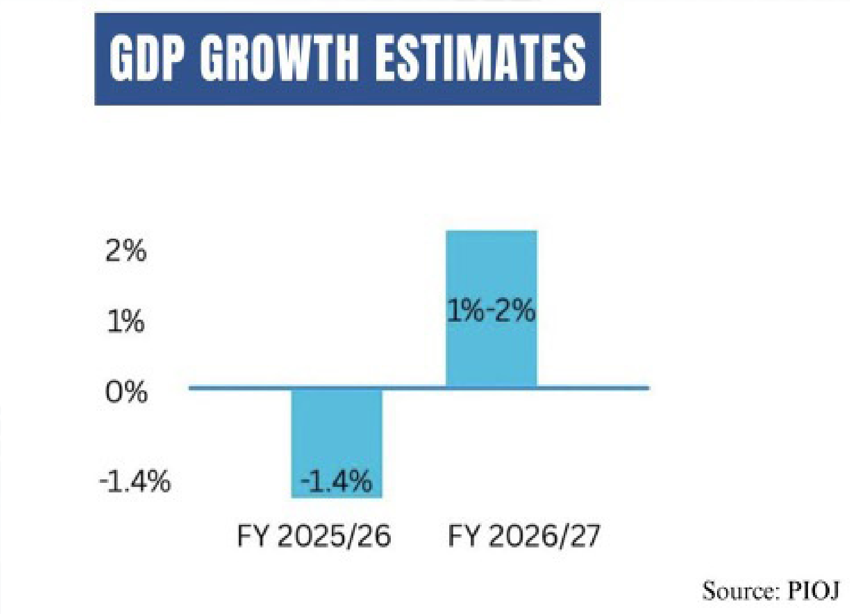
Madam Speaker, this budget for the new fiscal year is one that I have defined as "A Moment of Consequence." It is a moment that matters—a turning point, a critical juncture, or a time when the results of actions or decisions truly make an impact.

All told, **Madam Speaker,** for the current fiscal year that we are ending, the Category 5 Hurricane Melissa year, the PIOJ now estimates that the GDP growth figures will be negative 1.4% for the full fiscal year FY2025/26 given the significant fall out in the October – December quarter, which was the quarter in which the Category 5 hurricane battered the western parishes.

Madam Speaker, both PIOJ and the BOJ have had positive revisions to the GDP estimates. The primary impetus for this is the speed with which the economy is rebounding. For the new fiscal year which will start on April 1, 2026, FY2026/27, the PIOJ projects that we will return to growth in the range of positive 1%-2%.

Madam Speaker, I do not believe that anyone who travelled to Western Jamaica to look at the devastation would have believed then that we would be expecting positive GDP growth for the full fiscal year 2026/27 given the devastation. **Madam Speaker,** that is the result of a Government that leads from the front, businesses that take responsibility for their value to the Jamaican people and a population that knows what it is like to get up and go. We could not have been emerging from the devastation of the Category 5 Hurricane Melissa without the collective resilience and work of the people, businesses, government, our international partners, our diaspora and all our friends across the span of the globe. Thank you to everyone!





Independent Fiscal Commission

Madam Speaker, I read the recent Independent Fiscal Commission's report that was posted on its website regarding the Government's budget figures. Of note, **Madam Speaker,** the Independent Fiscal Commission was created by this Government to analyse the Government's Budget and offer a second independent opinion. **Madam Speaker,** we respect the opinion of the Independent Fiscal Commission.

Madam Speaker, and I want to address directly an observation the Fiscal Commissioner made in his Economic and Fiscal Assessment Report, because it deserves a direct answer and not silence. The Commissioner has expressed concern that our nominal GDP growth projection of 9.2 per cent and our real GDP growth of negative 0.5% — imply a GDP deflator of approximately 9.7 per cent and that this appears inconsistent with current inflation trends and with historical post-disaster price behaviour. I respect that concern. The Independent Fiscal Commissioner exists precisely to ask these questions and this House and this country are better served when I answer them plainly.

For context, **Madam Speaker,** the Consumer Price Index, CPI, measures the change in the cost of living for consumers. This figure includes the cost of imports and locally produced goods, while the GDP deflator measures how the prices of everything produced within Jamaica has changed. We are seeing significant increase in the cost of construction. Try buying some housing material (some ply to use for decking, or some cement or steel). Try hiring a workman, a plumber or a mason. If you can find one, as country people would say, you have to pay through the nose. There is more inflation than we would like in construction cost.

The Independent Fiscal Commissioner also pointed to the fact that Government's reconstruction activities have not revved up yet and so the inflation as measured by the GDP deflator could not be as high as estimated. I want to call the Commissioner's attention to the fact that there is a lot of reconstruction activities happening all over Jamaica on the part of businesses and private people.

Madam Speaker, the bottom line is CPI and GDP deflator are related but not the same. In normal times they, track closely and there is little difference. However, in the aftermath of an event like a Category 5 hurricane where (i) domestic production in certain areas has been decimated with scarcity influencing prices of locally produced goods and (ii) there is surge in demand for reconstruction from citizens and businesses, we can have a wider than usual variance between CPI and the GDP deflator. It is not abnormal or suspicious.

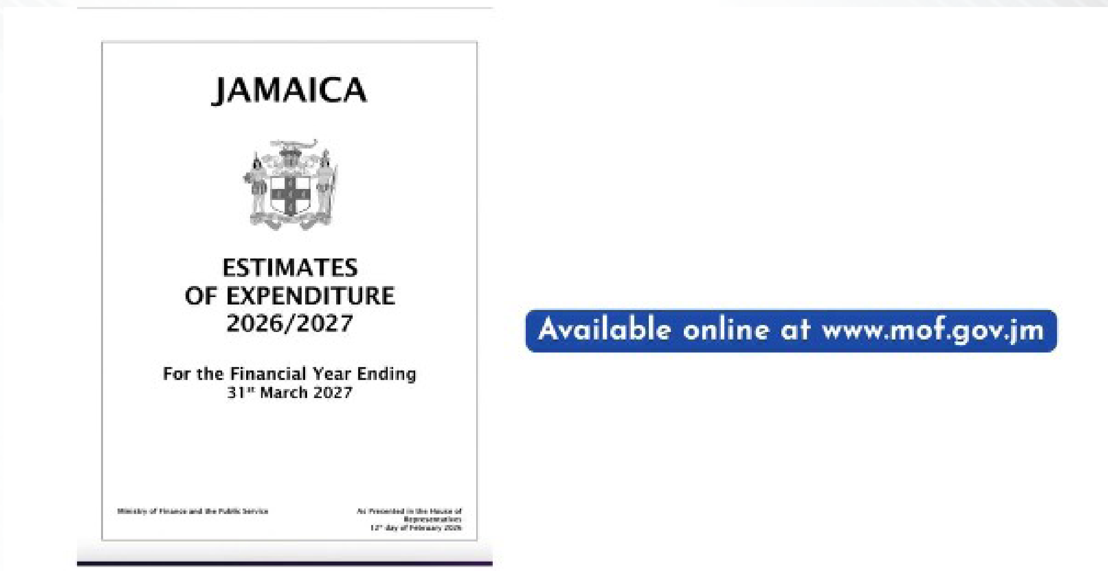
Madam Speaker, I also want to acknowledge the Commissioner's more pointed concern — and I will be candid about it. He is right that the Government's reconstruction activity in Jamaica has historically been delayed. He is right that capital underspending at the level of government is an issue. But **Madam Speaker,** if our GDP deflator projection rests entirely on government-executed reconstruction, I would be standing here on weaker ground. But it does not. The primary driver of near-term reconstruction price pressure will be the private sector by way of insurance-financed hotel refurbishment, household rebuilding, and foreign direct investment in damaged commercial infrastructure. That activity does not pass through our procurement system, and it will not wait. That activity is in full bloom all over Jamaica.

Madam Speaker, these two measures (CPI – consumer price index - and GDP Deflator) are related but fundamentally distinct measures, and conflating them would itself be an error.

Central Government Budget

With that as a backdrop, **Madam Speaker,** the central Government's budget for FY2026/27 for recurrent and capital spending plus debt servicing, (which includes interest payment and debt amortisation) is 1 trillion, 441 billion, 781 million, 354 thousand dollars.

Madam Speaker, the summary components of the expenditure budget are outlined on Page 1 to 4 of the Estimates of Expenditure 2026/2027 for the Financial Year Ending 31st March 2027. Further details are in its many pages which underwent robust interrogation at the two marathon sessions of the Standing Finance Committee in this Parliament last week Thursday and Friday.


JAMAICA

ESTIMATES
OF EXPENDITURE
2026/2027

For the Financial Year Ending
31st March 2027

Source: Minisry of Finance & the Public Service

Madam Speaker, I am specifically highlighting Jamaica's Estimates of Expenditure book to help our students to know where to find this information. It is on the website of the Ministry of Finance and the Public Service. Just for information, in the same Estimates of Expenditure book, students will also find the expenditure data for past fiscal years, as well as future fiscal years beyond FY2026/27 because we have to put forward projections or estimates for the fiscal years that make up the medium-term which goes to FY2029/30.

GOJ's Hurricane Relief and Early Recovery Financing

Of significance, the expenditure for the fiscal year we are ending includes $67 billion of Hurricane Melissa spending of which $24.1 billion or (US$150 million) was the loan to JPS to accelerate the return of electricity. The Cabinet, led by the Prime Minister, is to be commended for this historic decision. I thank the Financial Secretary of the Ministry of Finance and the Public Service, the Attorney General's Office, HM Vaz and his team, for the late nights and weekend work they did to hammer out an agreement with JPS. **This was a consequential decision.**

GOJ'S HURRICANE RELIEF AND EARLY RECOVERY FINANCING

- The Hurricane Melissa spend included $3.39 billion that went to Ministry of Tourism to support recovery of the tourism sector.
- Development Bank of Jamaica received $3 billion for the M5 Business Recovery Programme intended to accelerate Jamaica's economic recovery and strengthen resilience.
- The Ministry of Water, Environment and Climate Change was allocated $3.25 billion to support NWC.
- The Ministry of Labour and Social Security was allocated $11.2B of which $10B was the grants to households under the Restoration of Owner or Occupant Family Shelter programme (ROOFS) to persons affected. There was also $155M cash transfer for PATH recipients and $32M for children with disability impacted by the hurricane.
- The Ministry of Education, Skills, Youth and Information was allocated $2.3B to include $1M to each of 616 schools identified.
- The Ministry of Health & Wellness got $2.3B for relief and recovery.
- The Ministry of Agriculture, Fisheries and Mining received $3B for relief and recovery within the agriculture and fisheries sector.
- $1.5B went to Ministry of Energy, Transport and Telecommunication for for its various departments and agencies.
- Ministry of Local Government and Community Development was allocated $4.6B for NSWMA pre/post-hurricane cleanup, central government support to Municipal Corporations ($1.35B – included in the $4.6B); ODPEM post disaster relief efforts ($1B).

Included in the new budget, **Madam Speaker,** for very important non-hurricane work that government must do are as follows:

- $18.8 million for the Backlog Audit Project, which is aimed at reducing the number of unaudited Financial Statements prepared by Municipal Corporations, some statutory bodies, Executive Agencies and some internationally funded projects, as well as the annual Appropriation Accounts of Ministries and Departments.
- $121 million for the relocation of the Office of the Children's Advocate
- $372 million for the relocation of the Office of the Independent Commission of Investigations
- $1.86 billion for implementation of NIDS
- $1.5 billion for Rural Economic Development Initiative II
- $225.5 million for Integrated Community Development Project II
- $150 million for strengthening cybersecurity in Jamaica to include expanding the pool of specialised cybersecurity professionals
- $5.5B for maintenance of secondary roads
- $760 million for the HOPE housing
- $50.3 billion for payment of pensions

Revenues and Grants

Madam Speaker, on the other side of the ledger, the projected revenues and grants for the national budget is 1 trillion, 83 billion, 532.3 million dollars.

This includes the $18.0 billion of revenue measures and the $11.4B from the NHT. These revenue measures were announced on February 12, 2026 when I tabled the Fiscal Policy Papers & Budget documents in Parliament. I will speak more on these.

GOJ Procurement to Benefit MSMEs

I begin, **Madam Speaker,** with a special focus on MSMEs. This Government remains committed to ensuring that Micro, Small and Medium-Sized Enterprises (MSMEs) benefit mean fully from public procurement opportunities. Through collaboration between the Ministry of Finance and the Public Service and the Public Procurement Commission, we are strengthening support for small businesses seeking to participate in government procurement. The Commission has already begun engaging micro, small and medium-sized business associations to guide their members through the supplier registration process, and a series of targeted engagements will continue to assist entrepreneurs in completing registration and understanding how to compete effectively for government contracts.

In the upcoming financial year, we will also advance the implementation of the Public Procurement (Set Asides) framework, which allows portions of government procurement to be reserved for Jamaican suppliers, including micro and small enterprises. In partnership with the Public Procurement Commission, we will establish and maintain a verified list of qualifying MSME suppliers, to enable procuring entities to easily identify eligible businesses when applying the Set Asides provisions. Once this system is operational, the Ministry will issue a renewed directive to public bodies mandating utilisation of the Set Asides Order, with special emphasis on Micro Enterprises with annual turnover below $15 million and Small Enterprises with turnover between $15 million and $75 million.

At the same time, **Madam Speaker,** we will continue working with the Public Procurement Commission to simplify and streamline the supplier registration system so that businesses can more easily enter the public procurement marketplace. These initiatives will ensure that government procurement not only delivers value for money but also serves as a powerful tool for inclusive economic growth by opening more opportunities for Jamaican entrepreneurs to supply goods and services to the Government.

Madam Speaker, the systems in the Government's Circular were not repealed, they are just not operational. Now that the Public Procurement Commission maintains a registry, I have already discussed with them taking over the role of verifying qualifying suppliers and maintaining the list of qualified MSMEs.

There will however be a need for some website/software changes and the Public Procurement Commission will likely need some additional budgetary support to execute the changes. **Madam Speaker,** it is possible to get it done in this new fiscal year. I know the Public Procurement Commission will need some support and I am committed. Once the system is modified, a new circular will need to be issued, focused on only micro and small enterprises.

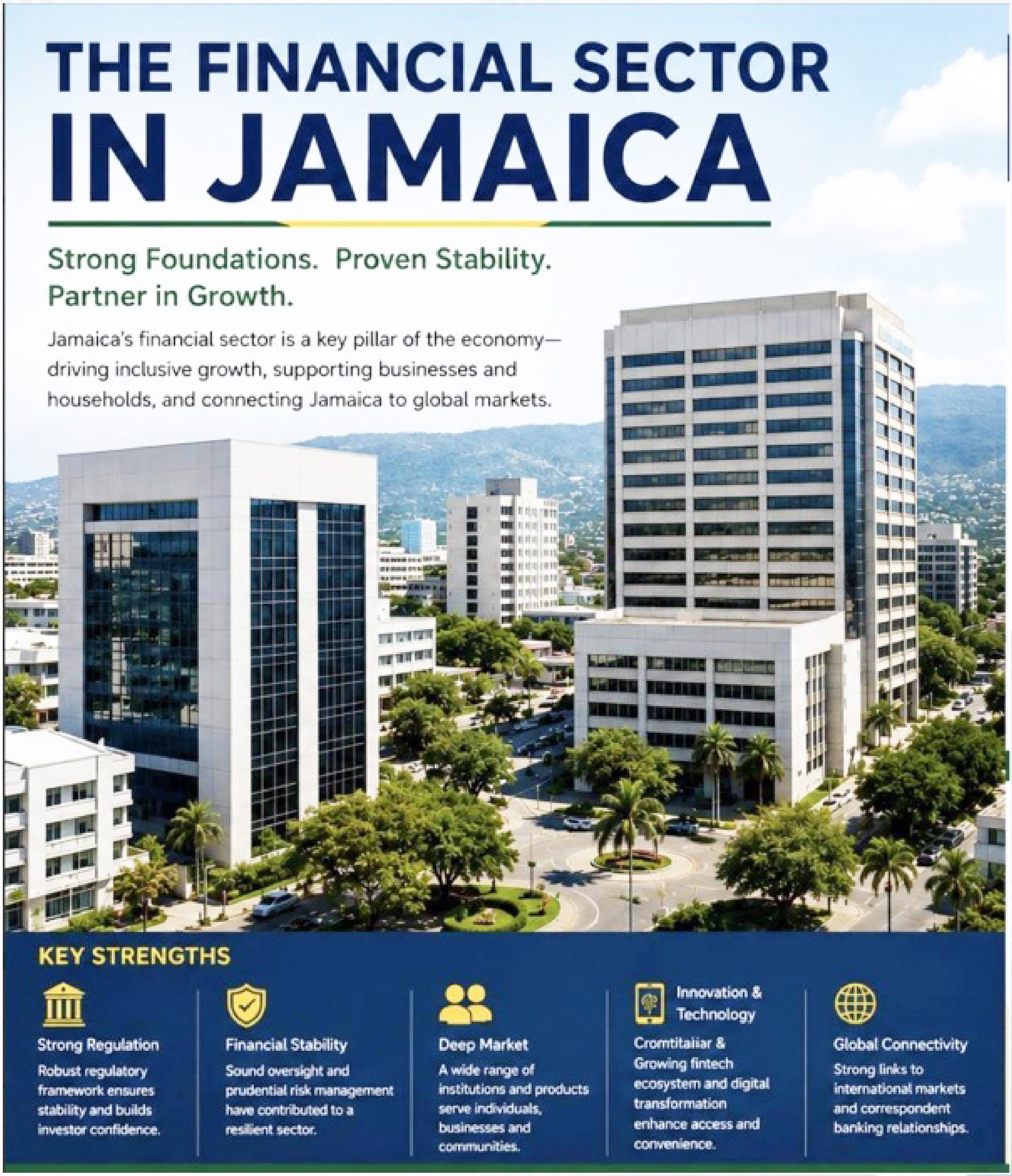
Madam Speaker, The Public Procurement (Set Asides) Order 2019 defines a Medium Enterprise as having a turnover of between $75M and $425M, a Micro Enterprise as having a turnover of less than $15M and Small Enterprises between $15M - $75M. I wholeheartedly believe we need to give plenty of hand-holding assistance to entities with turnover below $75M to help them to navigate the complexities of the Government's procurement system. The good news is, NO amendments are needed to the Act. It is the operationalisation of the Act and Regulations to which we must attend with haste. The SMEs can wait no longer. **Madam Speaker,** I know that the Public Procurement Commission will need to make adjustments to their software and then we can issue the new circular. I know as well that the Public Procurement Commission has been working on getting the costings to do the changes required. Greater access to the Government's billions of dollars of procurement, in-line with the Procurement Act, Regulations and Circulars will shortly open up more widely to MSMEs. **It is crucial that this happens.**

Unlocking Capital – Financial Sector Reforms

Looking forward **Madam Speaker,** reconstruction and growth will require the collective efforts of all of us as citizens, as businesses, and Government but especially the financial sector!

I want to pause to specially commend the farmers and Minister Green. When you look across the economy, the farmers are doing their part. They did not sit around lamenting that, "Bwoy, in July 2024 Beryl mash we up, then Tropical Storm Raphael in October of the same year lash we with rain can't dun and by time we plant up and start reaping again, bam, a Category 5 hurricane in October 2025." No, our farmers got up and they ran back into the fields to start planting again. Commendations.

JPS did its part to get electricity back within five months. Thank you JPS and your team. Thank you Minister Vaz. **Madam Speaker,** the telecom providers ran as fast as they could as well to get the connectivity back in the badly damaged parishes. Thank you telecom providers. We often cuss you when our calls are not going through and our phone screens are only saying "connecting", "connecting" and so when you do something well, we need to commend you. I want to thank Minister Samuda and the NWC crew, another entity Jamaicans often have choice words for when they dig up the road. Thank you NWC. You worked tirelessly to have water back to the damaged parishes. Of course, first out of the blocks was the NWA, JDF and JCF. Thank you Prime Minister, Minister Morgan, Dr. Hunter and the team from NWA, Commissioner Blake and the many members of the JCF, Commander Wemyss Gorman and the dedicated women and men of the JDF and ODPEM. **Madam Speaker,** all across Jamaica, you can see evidence of green shoots. We know that our Jamaican people, our industries, our international partners, our Government are working on restoration, recovery and growth.



Madam Speaker, I have entitled this part of my speech, **Financial Sector Reforms – Unlocking Capital for Reconstruction & Growth.**

The financial sector can significantly help to power up the recovery but the sector will need some targeted reforms to be more agile.

Madam Speaker, let me acknowledge the many regulatory reforms and the many institutions that have been established over the past 20-30 years in the financial sector. These institutions include the FISD – Financial Institution Supervisory Division at BOJ, Financial Investigation Department, MOCA, and the FSC which came into being in 2001. For the banks, there are the BASEL 1, 2, 3 regulations. Additionally, the financial industry players have strengthened their own risk management framework and capacity. For the insurance sector, **Madam Speaker,** there is the **Comprehensive Framework** and for the Securities Dealers there is the **IOSCO Framework.** If you take a step back, **Madam Speaker,** and unemotionally assess the financial sector, you will conclude that our financial sector is at a more secure place based on many different factors. However, **Madam Speaker,** when I speak with the industry members, they point to several reforms that the Government can do to have the sector produce more without unnecessarily increasing its risk.

That said, **Madam Speaker,** I have gathered a list of reforms that the financial sector has been asking for. The segment of the financial sector to which I speak is the securities dealers, insurance companies and pension funds, those supervised by the FSC. So **Madam Speaker,** the Government will be beginning with a carefully calibrated package of regulatory reforms designed to mobilise pools of local institutional savings from pension funds and the insurance sector so they can play a greater, yet prudently governed, role in financing infrastructure, housing, energy and productive private sector investment. These measures are practical, evidence-based and sequenced to protect financial stability while unlocking capital for growth.

Pension Fund Private Asset and Foreign Asset Limits

Let me start with pensions. The funds held in pension accounts are long-dated and patient funds with investors whose return horizons naturally align with long-term national investment needs. At present, pension funds face a 5 per cent limit of total assets for investment in the equity of private companies. This constraint has materially limited the ability of pension schemes to participate in local corporate and infrastructure financing.

Beginning in the new fiscal year, we will begin a process aimed at increasing the percentage of their assets that they can invest in the equity of private companies. We anticipate that together with the Financial Services Commission, we can take a small but consequential step to increase the pension fund private asset limit from 5% of total assets to 7.5% of total assets. This represents a measured, reversible step to allow funds to begin reallocating to well-governed private investments that match their long-term liabilities. Subject to supervisory monitoring and in the absence of any unforeseen adverse consequences, we will complete the second phase of this increase to 10 per cent by April 2, 2027.

Madam Speaker, for an order of magnitude of this shift, as at the end of September 2025, pension funds held approximately J$847.0 billion in invested assets, of which roughly J$42.4 billion (based on the current 5 per cent limit) is available for investment in the equity of private companies. Under the first phase of this change, an additional J$21.2 billion of long-term capital will be allowed to be invested in private companies. Subject to supervisory monitoring and absent any unforeseen adverse developments, we will complete the second phase and raise the limit to 10 per cent by the beginning of the FY2027/28 fiscal year. **Madam Speaker,** if we assume pension fund assets continue to grow at the recent rate of approximately 8 per cent, a further J$28.2 billion would be expected to become available for investments.

Additionally, **Madam Speaker,** the pensions industry that has been asking for completion of Phase 2 since I arrived at the Ministry of Finance and the Public Service. My commitment is to get Phase 2 done. Were it not for the intervening events of an election and a Category 5 Hurricane Melissa, it would have been tabled. I know that further drafting instructions were sent to the CPC recently. After this revision, the draft bill will need to go to the Attorney General's Chambers, Legal Reform and then back to the FSC. There is a companion bill that also needs TAJ's review. What I can say to the Pensions industry is, I remain committed to seeing the passage of Phase 2.

Foreign Currency Denominated Securities Issued By Locally Domiciled Issuers

Madam Speaker, in the area of **Foreign Currency Denominated Securities Issued By Locally Domiciled Issuers,** we will also take steps to adjust the limit. At present, pension funds and insurance companies face a 10 per cent limit for investment in foreign assets. By early in the new fiscal year, working with the FSC and the BOJ, we should be in a position to increase the foreign-asset limit for pension funds and insurance companies from 10 per cent to 15 per cent of total assets. Together with the regulators, we will simplify the regulations for the assets they are allowed to hold. The BOJ has advised that by June it will make the adjustment to the limit and simplify the FX regulations. The additional 5 percentage points will be restricted to foreign currency denominated securities issued by locally domiciled issuers. This targeted change, to a large extent, preserves overall caps on external exposure while enabling pension schemes to enhance their currency management and invest in high-quality local dollar instruments that support domestic finance. Implementation will proceed with consultation with the central bank and the regulator to ensure appropriate safeguards and orderly adoption.

Life Insurance Investment Eligibility

Life insurers are another critical source of long-term capital. Under the current interpretation of Regulation 47 of the Insurance Regulation, insurers may invest in corporate debt only where multiple prescriptive conditions are fulfilled simultaneously. This effectively restrict insurers to publicly listed, rated and collateralised securities. This de facto exclusion of many otherwise creditworthy domestic issuers constrains insurer investment returns and limits the development of the corporate debt market.

Madam Speaker, what does this mean for private companies and the economy in general? It creates a meaningful new source of patient, long-dated local financing under the two phases given projected asset growth that can be deployed into corporate expansion, working capital, and project finance. For many mid-sized firms and infrastructure projects that face limited access to long-term bank credit, this represents an alternative funding channel with the potential for longer maturities and more competitive pricing.

To address this, we will simplify Regulation 47 so that insurers can invest in corporate debt where EITHER of two objective criteria is met. The revised framework will permit investment where instruments are secured by adequate collateral and bear fixed interest; OR where instruments are issued, secured or guaranteed by a solvent company assessed to be investment grade by a recognised rating provider and that meets a two-times fixed-charges earnings test over the prior two years. This change preserves important safeguards while expanding the investable universe and encouraging a deeper domestic corporate debt market.

Complementary Reforms to Support Market Functioning

Madam Speaker, these changes will be reinforced by a set of complementary reforms the regulator will advance in parallel. First, we will review the capital adequacy framework for securities dealers in an effort to remove any elements that discourage intermediation in Government and high-quality corporate securities. Second, we will introduce a risk-sensitive concentration framework for securities dealers, pension funds and insurers that place greater emphasis by issuer quality and asset class rather than relying on blunt, uniform caps. Third, we will re-examine the repurchase agreements framework, with a focus on allowable assets and eligible collateral. And finally, we will look to reform collective investment scheme rules, exploring the efficacy of unit-holder limits and liquidity management. Together, these measures will strengthen market functioning while protecting savers and policyholders.

Taken together, these reforms seek to increase the flow of long-term domestic savings into productive investment, deepen our capital markets, improve price discovery and liquidity, and strengthen the capacity of pension funds and insurers to meet long-term obligations. They are aimed at lowering financing costs for infrastructure and private firms, support job creation, and contribute to a more resilient, diversified financial ecosystem.

Madam Speaker, these proposals reflect a careful balance. We are removing unnecessary constraints that have kept capital idle, while embedding prudent governance and supervisory safeguards that protect investors, policyholders, pensioners, and the broader economy. With these measures, Jamaica will better mobilise its **own savings** to finance our development priorities and strengthen the foundations for sustainable growth.

Reform of the Current Primary Dealers (PD) System

Madam Speaker, the reform of the current Primary Dealers (PD) System remains a key strategic objective of the Government, as a well-functioning Primary Dealers framework is essential to the continued development of the domestic debt market. The primary responsibility of PDs is to act as market makers, facilitating the trading of GOJ and BOJ securities. This role supports secondary market liquidity, improves price discovery, reduces market and refinancing risks for the GOJ, broadens the investor base for GOJ and BOJ securities, and ultimately lowers the Government's cost of funding.

New Types of Instruments

During FY2026/27, the GOJ will continue to engage the BOJ on the introduction of new types of instruments to have a more diverse suite of instruments in the portfolio. The introduction of new instruments is expected to improve liquidity and flexibility, allowing investors to match products to their cash flow needs and risk preferences, while offering the GOJ more competitive funding options. New instruments may also enhance market resilience, stability and financial depth, contributing to the development of a robust domestic debt market.

Fixed Income Trading Platforms

Madam Speaker, I know that ordinary Jamaicans who are focused on putting dinner on the table may not be conversant with Fixed Income Trading Platforms (FITP) or the many reforms I have outlined or how it would affect their lives positively. But that is what Governments must do, identify friction in the economy and solve it for the benefit of the people. And so, **Madam Speaker,** our plan is to transform the traditional opaque and fragmented bond markets by centralising access, automating workflows and unlocking powerful analytics for all participants. The Fixed Income Trading Platforms will establish a centralised and standardised framework for the listing, trading, and management of GOJ securities. The implementation of the platform is expected to reduce transaction settlement time and counterparty risks and increase participation by both domestic and international investors, thereby broadening the investor base, strengthening price discovery, supporting the development of an efficient yield curve and enhancing liquidity in the secondary market. Other benefits that are anticipated to be derived from the implementation of the platform are enhanced trading efficiency, transparency and overall market development within the domestic debt market. To increase secondary market trading, the GOJ, in collaboration with the BOJ, the Jamaica Stock Exchange, and the Financial Services Commission, intends to launch the FITP in the short term.

Madam Speaker, all of these reforms I have outlined in the financial sector have one aim, to make the financial sector work better for the Jamaican people and businesses. Full stop.

Easier to Switch Bank Accounts and Compare Fees

In the banking sector, **Madam Speaker,** the Bank of Jamaica has done a lot of work in the efforts to make it easier to switch bank accounts and compare fees. Jamaicans are expected to find it easier to switch bank accounts and compare fees starting in this year of our Lord, 2026, as the Bank of Jamaica moves forward with initiatives to increase competition in the financial sector. I can assure Jamaicans that there are concrete steps aimed at addressing long-standing consumer concerns about banking services.

A new comparison website is scheduled for launch this year. The platform will allow consumers to easily compare banking fees, charges, and interest rates across financial institutions. The development of the site has been approved, with focus group testing and marketing campaigns planned ahead of its rollout; this initiative, **Madam Speaker,** is expected to significantly enhance transparency in banking costs. This is anticipated to encourage more competitive deposit pricing, lower funding costs for financial institutions and improve the transmission of monetary policy. This has benefits for the Government, as well as ordinary Jamaicans. For the Government, this will support more accurate pricing and greater participation in GOJ's domestic debt instruments. We are going to need our local financial sector to come through with low-cost financing for the Government to help with the reconstruction. For businesses and consumers, over time, enhanced consumer confidence, market discipline and financial innovation is expected to help deepen liquidity and broaden participation in Jamaica's domestic financial market.

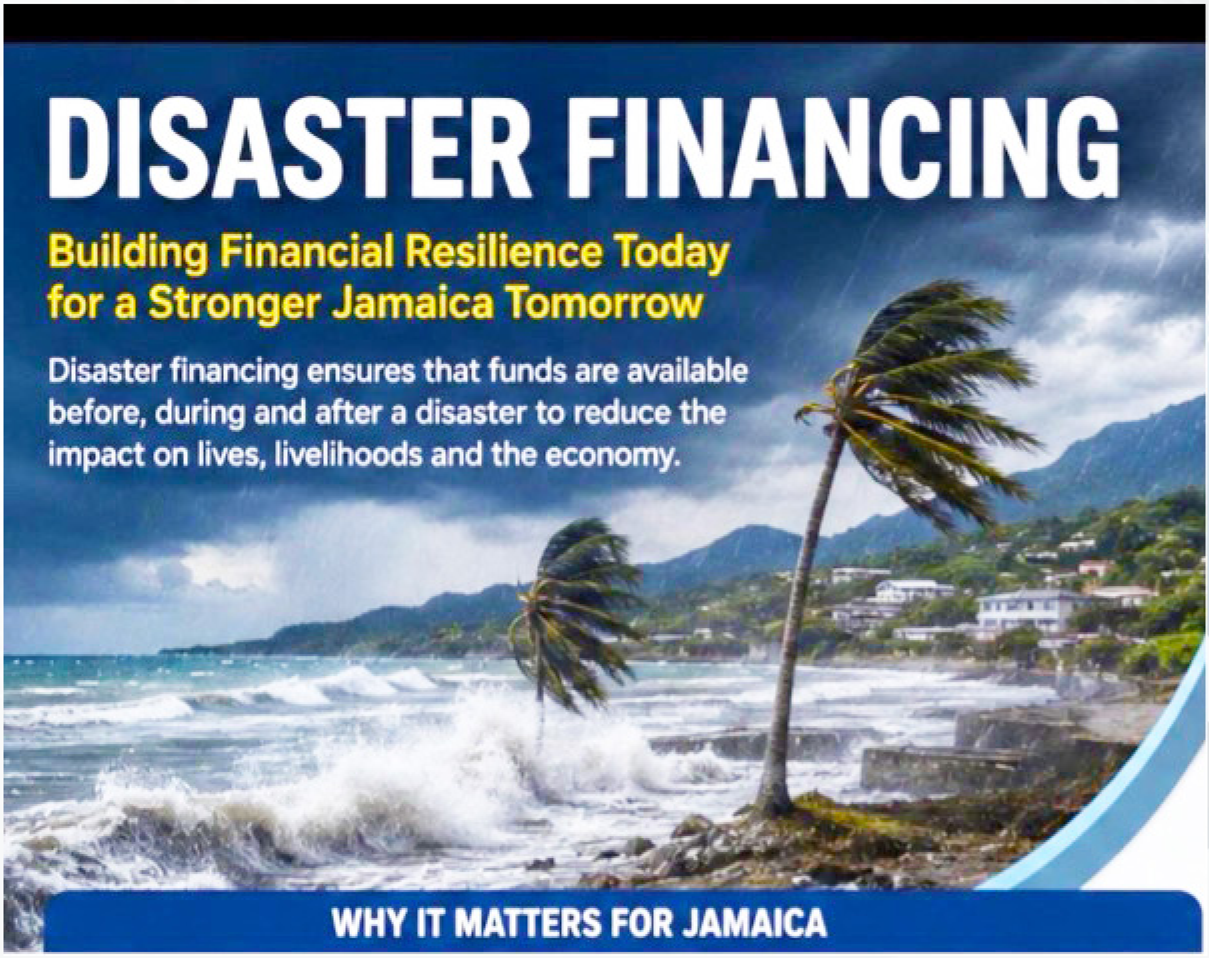
Know Your Customer (eKYC) Platform

Madam Speaker, in the upcoming fiscal year, the Bank of Jamaica intends to roll out a national electronic Know Your Customer (eKYC) platform to streamline and standardise the process of opening bank accounts, expand financial inclusion, and reduce paperwork. The system will function as a secure, centralised digital gateway for identity verification and customer due diligence, enabling banks to onboard customers more efficiently through a single access point.

The initiative is designed to fix existing KYC processes that the BOJ says are manual, repetitive, costly and inefficient. The eKYC project has reached approximately 50.0 per cent completion, with vendor selection and implementation planning currently underway. While the project is reported to be slightly behind schedule, it continues to align with the targeted 2027 launch timeline. The eKYC utility forms part of Jamaica's wider effort to modernise and digitise its financial infrastructure.

Madam Speaker, a modernised and digitised financial infrastructure can significantly strengthen the financial market by improving efficiency, transparency and liquidity, while reducing costs and risks. In addition, it is expected to enhance market accessibility, strengthen investor confidence and ultimately lower borrowing costs for the GOJ, for businesses and customers.

Replenishment of Disaster Financing



Madam Speaker, Jamaicans are attuned to the significant benefit of the Government having a rainy day fund, a hurricane fund. We are working to replenish its suite of disaster risk financing instruments to protect against the uncertainty of natural disasters. Accordingly, the Government intends to renew the CCRIF-SPC insurance policy in May 2026. The GOJ will also maintain savings in the NNDRF, NDF and Contingencies Fund, as well as seek to renew contingent credit lines to bolster its risk retention capabilities. The Government will also continue to explore other instruments to build structural resilience, thereby mitigating potential damage from natural disasters.

Having these buffers against natural disasters, **Madam Speaker,** is an important underpinning when international rating agencies assess Jamaica's credit worthiness. Our current ratings stand at Moody's (Ba3) with a stable outlook, S&P or Standards and Poors at BB, also with a stable outlook and Fitch at BB- equally with a Stable Outlook. **Madam Speaker,** you will note that all the dates for the ratings are all after the Category 5 Hurricane Melissa. This is unprecedented in Jamaica's history and the people of Jamaica are to be commended for the sacrifices they have made to have our international credit ratings so aligned. Confidence of our rating agencies and our international partners in Jamaica's credit worthiness is not just for investors overseas, it is for us here. It means we have greater certainty about our economic affairs. Not every country in the world has the kind of certainty that we enjoy in Jamaica. We can wake up and know that if we have money in the bank, we can put our ATM cards in and pull out what we need without asking anybody anything. We know we have the freedom of travel. We don't have to line-up if we need some foreign exchange to buy a personal item on a platform half-way around the world and we have certainty that our children can go to school. Life could be very miserable if Jamaica loses the faith and confidence that the global financial market has in us. We have to guard these ratings and strive to make them better. These credit ratings are our oil! They are our gold!

Jamaica's Credit Ratings

Rating Agency	Rating	Outlook	As of
Moody's	Ba3	Stable	Dec 19, 2025
S&P	BB	Stable	Dec 18, 2025
Fitch	BB-	Stable	Feb 5, 2026

Madam Speaker, I spent a lot of time on the financial sector reforms and it is with good reason. We will need the financial sector this upcoming fiscal year to help to fund the financing gap that we have as outlined in the chart called Fiscal Figures.

FISCAL FIGURES

	FY2025/26		FY2026/27	
Total				
Fiscal Deficit	$	(134,616.8)	$	(190,658.9)
Debt payment	$	(161,306.2)	$	167,590.2)
Total	$	(295,923.0)	$	(358,249.1)
Borrowing	$	394,180.6	$	247,148.6
Other Inflows	$	4,387.5	$	7,214.5
Cash Reserves	$	-	$	103,886.0
Total	$	398,568.1	$	358,249.1
Net	$	102,645.1	$	-

In our **Medium-Term Debt Management Strategy** book, we detail for the market when we are likely to be in the market. You will note the instrument type we plan to re-open, the subscription dates and the method of issue.

Madam Speaker, we have included in our Medium-Term Debt Management Strategy the proposed schedule for treasury bills issuance for the Fiscal Year 2026/27 as well. This is information we are providing the market so that there is transparency and the potential participants can position their portfolios in accordance with their needs. We anticipate good support from the financial sector.


Government of Jamaica
MEDIUM-TERM DEBT MANAGEMENT STRATEGY
FY2026/27 - FY2029/30
MEDIUM-TERM DEBT TO GDP
ANNUAL BORROWING PLAN
Benchmark Investment Notes
Treasury Bills
Policy-Based Loans
Investment Loans
COST & RISK ANALYSIS
Interest Rate
Foreign Currency
Inflation
Refinancing
Contingent Liabilities
RISK
INVESTOR RELATIONS
NEWS
REPORT
FPS
AND THE PUBLIC SERVICE
Ministry Paper no:
February 12, 2026

Table 10: Proposed Issuance Calendar for GOJ Instruments during FY2026/27

SUBSCRIPTION DATE	INSTRUMENT TYPE	METHOD OF ISSUE
Q1		
April 8, 2026	3-month, 6-month and 9-month T-Bill Tenders	Auction
April 24, 2026	Reopen FR 9.625% BIN 2031 - **5-yr**	Auction
May 6, 2026	3-month, 6-month and 9-month T-Bill Tenders	Auction
May 27, 2026	Reopen FR 9.625% BIN 2031 – 5-yr	Auction
	Reopen FR 7.50% BIN 2035 - **9-yr**	Auction
June 3, 2026	3-month and 6-month T-Bill Tenders	Auction
Q2		
July 8, 2026	3-month, 6-month and 9-month T-Bill Tenders	Auction
July 24, 2026	Reopen FR 9.625% BIN 2031 - **5-yr**	Auction
August 5, 2026	3-month, 6-month and 9-month T-Bill Tenders	Auction
August 21, 2026	Reopen FR 7.50% BIN 2035 - **9-yr**	Auction
	Reopen FR 8.25% BIN 2040 – **14-yr**	Auction
September 2, 2026	3-month and 6-month Treasury Bill Tenders	Auction
Q3		
October 7, 2026	3-month and 6-month T-Bill Tenders	Auction
October 23, 2026	Reopen FR 9.625% BIN 2031 – 5-yr	Auction
	Reopen FR 7.50% BIN 2035 – 9-yr	Auction
November 4, 2026	3-month, 6-month and 9-month T-Bill Tenders	Auction
November 25, 2026	Reopen FR 8.25% BIN 2040 – **14-yr**	Auction
December 2, 2026	3-month and 6-month Treasury Bill Tenders	Auction
Q4		
January 6, 2027	3-month, 6-month and 9-month Treasury Bill Tenders	Auction
January 22, 2027	Reopen FR 9.625% BIN 2031 - **4-yr**	Auction
	Reopen FR 7.50% BIN 2035 - **8-yr**	Auction
	Reopen FR 11.25% BIN 2046 - **19-yr**	Auction
February 3, 2027	3-month, 6-month and 9-month T-Bill Tenders	Auction
March 3, 2027	3-month and 6-month T-Bill Tenders	Auction
March 5, 2027	Reopen FR 9.625% BIN 2031 - **4-yr**	Auction
	Reopen FR 7.50% BIN 2035 - **8-yr**	Auction
	Reopen FR 11.25% BIN 2046 - **19-yr**	Auction

*Benchmark Investment Note (BIN)
Note: This schedule is subject to change. The actual amounts of the BINs will be determined at the time of invitation to tender.
Source: Ministry of Finance and the Public Service

Table 11: Proposed Schedule for Treasury Bills

For Fiscal Year 2026/27		
Proposed Treasury Bill Tranche	**Proposed Tender Date**	**Proposed Issue Date**
Quarter 1		
3, 6 & 9 month T/Bills	April 8, 2026	April 10, 2026
3, 6 & 9 month T/Bills	May 6, 2026	May 8, 2026
3 & 6 month T/Bills	June 3, 2026	June 5 2026
Quarter 2		
3, 6 & 9 month T/Bills	July 8, 2026	July 10, 2026
3, 6 & 9 month T/Bills	August 5, 2026	August 7, 2026
3 & 6 month T/Bills	September 2, 2026	September 4 2026
Quarter 3		
3 & 6 month T/Bills	October 7, 2026	October 9, 2026
3, 6 & 9 month T/Bills	November 4, 2026	November 6, 2026
3 & 6 month T/Bills	December 2, 2026	December 4, 2026
Quarter 4		
3, 6 & 9 month T/Bills	January 6, 2027	January 8, 2027
3, 6 & 9 month T/Bills	February 3, 2027	February 5, 2027
3 & 6 month T/Bills	March 3 2027	March 5, 2027

Notes: Please note that the Schedule is subject to change.

Source: Ministry of Finance and the Public Service

History of Revenue Measures

Madam Speaker, before I go to the revenue measures that were laid on the table of Parliament, that's Ministry Paper #17, I would like to remind Jamaicans of the history of revenue measures.

REVENUE MEASURES

Year	Taxes (Billion)	Government
FY2012	$ 19	PNP
FY2013	$ 15	PNP
FY2014	$ 7	PNP
FY2015	$ 10	PNP
FY2016	$ 13	JLP *
FY2017	$ 14	JLP *
FY2018	No new taxes	JLP
FY2019	No new taxes	JLP
FY2020	No new taxes	JLP
FY2021	No new taxes	JLP
FY2022	No new taxes	JLP
FY2023	No new taxes	JLP
FY2024	$ (16)*	JLP
FY2025	No new taxes	JLP
FY2026	$ 19	JLP

***FY2016 and FY2017 figures represent the value of offsetting revenue measures (since the spending/tax-cut was offset with revenue increases, making them broadly revenue-neutral).**

***FY2024 – negative amount; this was the approximate forgone revenues due to tax relief measures.**

New Revenue Measures

Madam Speaker, this year for the first time, this JLP administration had to ask Jamaicans to pay more in SCT for cigarettes, non-alcoholic sweetened beverages, more SCT on litres of pure alcohol, more in environmental levy, increased GCT on tourism activities and join a lot of other countries to get Jamaica's fair share of the digital world through GCT on digital services and intangibles, reduction in the duty concession allowance and continued the distribution from the National Housing Trust.

This year is the first time since FY2016 that the JLP has asked Jamaicans to pay new taxes. In our history since 2016, when we increased the individual tax threshold to $1.5 million and had to do it in a revenue neutral way, meaning the money that we gave up when we raised the Personal Income Tax threshold had to be recovered from some revenue measures. Overall, for the economy, it was revenue neutral.

Madam Speaker, I show this chart with the history of revenue measures to tell our young people, who are now 20 years and would have been finishing primary school when this administration became Government, that we are the Government of **no new taxes.** You can see for yourself on the chart that our track record speaks for itself.

Madam Speaker, in the history of the PNP as Government, they cannot make that claim. Sadly, they have come to Parliament year after year with **more taxes, more taxes, more taxes.**

Madam Speaker, I will take a few minutes on the revenue measures regarding digital services because that seems to be the revenue measure with the most questions. **Madam Speaker,** taxing digital services ensures fairness, brings in much-needed Government revenues to help with the reconstruction, keep our tax laws up to date with how people are doing business now and make sure big companies pay their fair share. Digital services taxation is now either in place or being discussed in over 100 countries.

Madam Speaker, this has not been talked about much, but there is silent closure of some small businesses locally as we are able to order goods and services from anywhere in the world. Without the requisite tax on digital goods and services, our local retail business are at a disadvantage. They must pay all the taxes that are due but compete against goods and service without taxes.

I would like Jamaicans to consider that it is the people who work in those retail shops that are affected when the retail shops close. It is the security guard who is no longer needed at the entrance or no longer needed to direct you to where to park your motor vehicles. It is the cleaning crew that comes in early in the mornings or late at nights that are let go. It is the lease, the electricity and water payments that are no longer made. It is not happening with a loud bang, just silently. Let me hasten to add, there is absolutely no thought to curtail digital purchases from wherever in the world Jamaicans wish to buy. You will note that Jamaicans have no trouble getting foreign exchange to make the purchases.
I am simply highlighting a phenomenon of which we all need to be aware, **Madam Speaker.**

This isn't about creating new burdens; it is about making sure the new digital landscape works for Jamaica, just as much as it works for the global giants. We are embracing the future, but ensuring that the future is one where Jamaica gets its fair share.

Why This Matters to Jamaica, Especially After Melissa

Capturing our fair share of the digital economy revenue is no longer just a good idea; it is essential.

- It helps diversify our revenue streams, so we are not so reliant on just a few sectors.
- It brings in much-needed funds for our schools, hospitals, infrastructure, and yes, for rebuilding after the devastation of Hurricane Melissa.
- It ensures fairness – if local businesses pay taxes, so should foreign companies profiting from our market.

Madam Speaker, regarding the change we made to shifting the payment date for corporate income tax payment to April 15 from March 15, the industry has highlighted an issue. We are listening and ask that the industry allows us to see the impact of the current dates that we have put forward. TAJ has some concerns with the two steps that would be involved if we change the dates. But we will give you feedback.

Similarly, **Madam Speaker,** the beverage industry has asked us to consider looking at a tiered approach rather than the flat rate that we have announced. We have committed to meeting with the technical persons in the industry to analyse the data. However, we have to proceed with the current proposal until we have the analysis done that would inform any possible change.

Conclusion

In conclusion, **Madam Speaker,** this fiscal year has been like no other. But as a Government, we are committed to full recovery of our Jamaican families, our farmers, our construction and hotel workers, our security forces, our medical personnel, our churches, our schools, our hospitals, employees in the private and public sector, the aged and the infirmed. We have come through COVID-19, we have come through Beryl and already we can declare that we have come through the Category 5 Hurricane Melissa and are building and reconstructing better than ever before.

I want to remind persons that the new threshold to $1.9 million will become effective on April 1, 2026 and that the Government's offer to our public sector workers is still on the table.

So **Madam Speaker,** in concluding the Budget presentation, while I cannot say "No New Taxes", I can certainly say **"No additional Revenue Measures."**

God bless you. God bless Jamaica, land we love.

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