



MINISTRY OF FINANCE AND THE PUBLIC SERVICE

OPENING BUDGET PRESENTATION 2025

TUESDAY, MARCH 11, 2025



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

RESILIENT JAMAICA:
Strengthening Growth,
Securing Prosperity





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Gratitude



Thank you, **Madam Speaker**.

Madam Speaker, let me take this opportunity to acknowledge my husband Leo of 35 years, who is in the gallery, and our two daughters and family members who are watching online from the United States.

I want to acknowledge as well, “all de people dem whe’ me grow up wid inna Tydixon” the very rural, subsistent farming community in which I was born and where I went to Ms. Ivy Long’s Basic School and the Government’s Tydixon Primary School. Some of them from Tydixon are here to support me, one of their own, who has come from among them to the position of the first female Minister of Finance and the Public Service for Jamaica.

Madam Speaker, my greatest sense of gratitude to the Tydixon Seventh Day Baptist Church at which my father served as Deacon for many years. There was absolutely no story that I and my brothers and sisters could concoct and tell our parents that would cause them to say, “Ok, nuh bother go a church today.” Even if we had to go to church on a stretcher, we had to go! Thank you, Tydixon Seventh Day Baptist Church for instilling lessons that continue to shape my character and guide my footsteps!

Madam Speaker, let me also acknowledge all my colleagues in the Parliament this afternoon and let me say again, thank you to the Prime Minister for his faith and confidence in me in appointing me to this position.

This Prime Minister, **Madam Speaker**, is a Prime Minister who has appointed women to occupy many high positions in Government. In his Cabinet are the most women of any other Government, including the first woman Minister of Foreign Affairs and Foreign Trade that Jamaica has seen. The Prime Minister has also appointed the first female Cabinet Secretary and the first female head of the armed forces of Jamaica, one of only two women in the world to hold that position. Across Government, several women also hold important positions such as Permanent Secretaries and heads of departments.

And so I say, **Madam Speaker, What a Prime Minister! What a Government!**

Madam Speaker, I am very aware that I stand on the shoulders of all the women before me who have occupied high offices in Government. Today, I am grateful for the opportunity to be a voice for our women and girls! To my women colleagues in parliament, I appreciate your support every step of the way!

I could not end my gratitude without saying thank you to all those in St. Andrew Eastern who allowed me this opportunity to represent them in parliament and to work with them for a better life for them. To my two devoted CPOs, who traverse the constituency with me at hours when dog ‘fraid, I say thank you. Your sacrifice has not gone unnoticed. Thank you to your families for their understanding. **Madam Speaker**, there are so many other persons, in government and outside government, too numerous to call by name that have helped me on this journey and to all of you, my heartfelt - Thank you.

But I must single out the Financial Secretary and the entire team from the Ministry of Finance and the Public Service who put in yeoman’s hours to do all that needs to be done at the Ministry of Finance and the Public Service. My job is easier because of your collective efforts. Thank you!

To all, I say, I appreciate all of your contributions, especially your words of encouragement.

Madam Speaker, this budget for FY2025/26 reflects the suggestions, thoughts and ideas of many Jamaicans. Thank you for all your WhatsApps, your emails and your phone calls.

**I say to all Jamaicans,
We are a Government that listens!
We are a Government that cares!**

10th Budget Presentation

Madam Speaker, today marks the 10th Budget presentation for this Prime Minister Andrew Holness-led administration. The significance of this budget is that it is a budget that is happening in an election year but it is also a budget that comes after many years of discipline in managing the country's financial affairs. Some of this fiscal discipline initially came with the IMF's US\$615 million Extended Fund Facility (EFF) programme that the government of 2012 - 2016 negotiated with the IMF.

Madam Speaker, those early years of learning fiscal discipline by a government known as a "run-wid-it government" were, in my mind, the equivalent of the then government riding a child's bicycle with training wheels.



Madam Speaker, I swear, I did not choose the orange T-shirt that the child on the bicycle in the pic is wearing! I don't even know the people in this pic! But this pic is fitting because those years were really the government of the day learning fiscal discipline. Recall, **Madam Speaker**, they were the ones that despite the clear danger signs leading up to the 2002 general election still made the decision to “run wid it.” So this pic is fitting! Those early years of learning fiscal discipline were the equivalent of the government of the day riding a child's bicycle with training wheels.

We have come a long way since then, **Madam Speaker**. Since the start of this Prime Minister Andrew Holness-led administration, I am pleased to say we have been riding ‘big-people’ bicycle and we are balanced on the ‘big-people’ bicycle with our own weight and are managing the complexities of Jamaica's budget with its many competing demands, all the while navigating the pressures of politics!



I swear to you again **Madam Speaker**, I do not know these people in this pic either and why they would be showing the V sign that looks like the JLP party sign is just not clear to me but the pic is quite fitting.

Madam Speaker, in managing the fiscal affairs of this country, we are riding a big-people bicycle and we are balanced on the bicycle with our own weight and are managing the complexities of Jamaica's budget with its many competing demands, all the while navigating the pressures of politics.

We on this side a ‘nuh, nuh’ run-wid-it government! We are a responsible government! We are safeguarding the hard-won gains of the people of Jamaica so that their children and grandchildren can live a better life in Jamaica.

International Credit Rating Agency Fitch

Madam Speaker, it was only a few Fridays ago, February 21, 2025, that international credit rating agency Fitch signalled to the entire world its continued Positive Outlook on Jamaica and affirmed Jamaica's 'BB-' credit ratings.

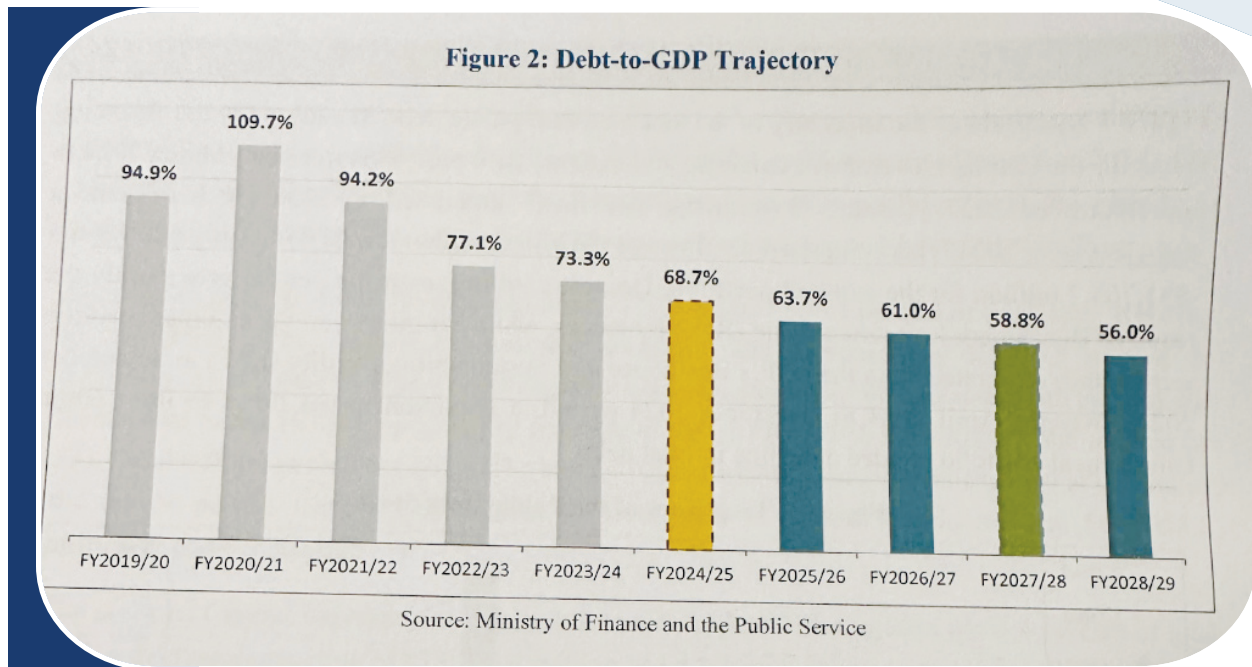


Fitch said its **Positive Outlook** reflects the fact that Jamaica has stronger governance than the peer median, meaning, Jamaica is above its peer group in governance. **Madam Speaker**, “a nuh me say so, a Fitch, international rating agency say so!”

Jamaica is above its peer group in governance.



Fitch also highlighted that Jamaica has made significant progress with debt reduction and that Jamaica has a sound fiscal framework and a strong political commitment to deliver large primary surpluses.



Madam Speaker, a primary surplus is how much money a government has left to pay interest on the debt, invest in important projects or save for the future after paying wages and salaries and other recurrent expenses.

Fitch Rating Agency noted that Debt-to-GDP has fallen from a high of 135.3% in FY2012/2013. By the time we close this year FY2024/25 **Madam Speaker** on March 31, 2025, we will be at 68.7%, the lowest in almost 30 years.

Madam Speaker, a country's credit rating is important because it reflects the country's creditworthiness and ability to repay its debt. A country's credit rating can influence investors' perceptions of its economic stability and growth prospects.

Madam Speaker, the Rating Agency noted that this government has built a record of fiscal prudence that has gained credibility in recent years and may be further strengthened over the next several years, including through the successful implementation of the new fiscal commission.

Independent Fiscal Commission

Madam Speaker, the Independent Fiscal Commission came into existence this year, on January 1, 2025 and it has since assessed our budget and issued its opinion. If you recall, **Madam Speaker**, that role of assessing our budget was performed by our Auditor General for many years.

The Independent Fiscal Commissioner in its first report has said that:

- 1) “Jamaica’s fiscal position and policy is sustainable. The legislated Debt-to-GDP target of 60% or less by FY2027/28 is expected to be met.”
- 2) “Overall, the macroeconomic and fiscal operations are reasonable and achievable.”

The Fiscal Commissioner did highlight some age-old issues with the budget process that **ARE NOT NEW**:

- 1) Heavy reliance on tax revenues in the last 2 weeks in March, the last month of the fiscal year.
 - a. It is no secret that over many decades and many different governments, corporate income tax comes in on March 15th and GCT comes in on the last day of March. It is a risk that has been identified and discussed in this very Parliament more than once and Hansard is there to prove it. There is recognition that this situation of collecting a significant portion of revenues in the final 2 weeks of the last month of the fiscal year has risks but these are not revenues that can easily be shifted into the month of April because expenses have to be paid in the month of March.

Madam Speaker, in order to shift the revenue collections into the month of April to reduce the risks in the fiscal year, we have to identify a source of funds that can fill the gap in the March month because Public Sector workers need to be paid. We need to pay the light bill, the water bill, make interest payment on the debt and pay our retirees their pensions. We would love to shift the risk into April and have plans to do so.

- b. The Fiscal Commission also said “there is no presentation of the fiscal balance for the specified Public Sector.” **Madam Speaker**, while there may not be consolidation in alignment with a particular format that the Fiscal Commission would like to see, a whole book called the “Public Bodies” book is dedicated to public bodies from which one can get all the data for the analysis. I believe that as the Fiscal Commission fills the positions in its establishment, it will begin to have adequate technical staff to do the number crunching to slice and dice the numbers for the specified Public Sector any which way the Fiscal Commissioner wants!
- c. Additionally, the Fiscal Commission noted that the Revenue measures should be tabled simultaneously with all the other budgetary documents. This has never been done before by any Finance Minister, **Madam Speaker**! This I do know, **Madam Speaker**, the Revenues that are laid in Parliament always have the Revenue Measures embedded in them. It’s the details of the Revenue Measures that the Finance Minister comes with to Parliament for his or her budget presentation, just as I am doing today. The Fiscal Commissioner cannot expect the Minister to lay in Parliament all the intimate details of the Revenue measures. That would be very chaotic!! I am not sure how that would work, **Madam Speaker**.

We are ending FY2024/25 strong!

Madam Speaker, we are ending FY2024/25 strong.

Unemployment is down! Employment is up!

At the end of October 2024, STATIN reported that unemployment stood at its lowest on record, which was 3.5% with male unemployment at 2.6% and female unemployment at 4.5%.

Madam Speaker, I want us to pause and think about this. This is a significant achievement that we should not let anyone diminish, no boy, no gal, no one should diminish this achievement of this government.

Take a look at this chart!

	Unemployment - Oct 2013	Unemployment – Oct 2024
Overall for Jamaica	14.9%	3.5%
Female unemployment	20.0%	2.6%
Male unemployment	11.2%	4.5%
Employed labour force	1,108,925	1,468,300

Yes, STATIN did change its definition of the labour force recently, but even if you adjust the October 2013 figures downward to take that into consideration, there would still be a vast difference between the figures in October 2013 and the figures of October 2024.

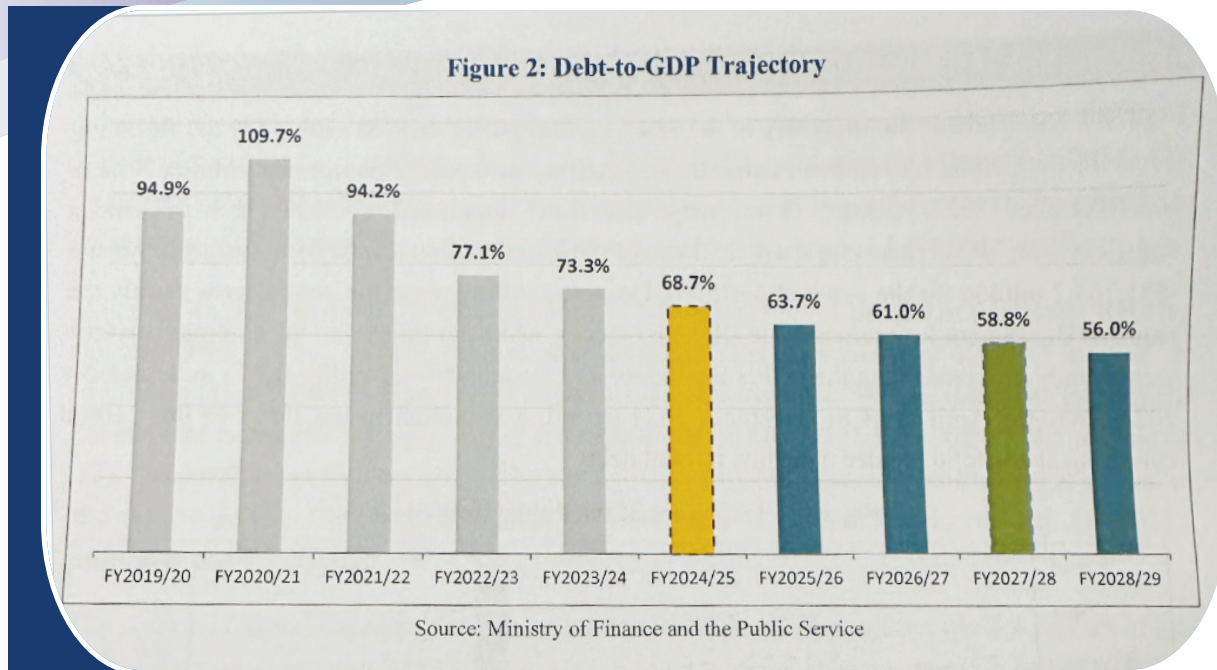
More persons working in 2024 is the result of good policies by the Prime Minister Andrew Holness-led Government. Today, **Madam Speaker**, in 2025, jobs abound.

We can't find workers!

Debt/GDP

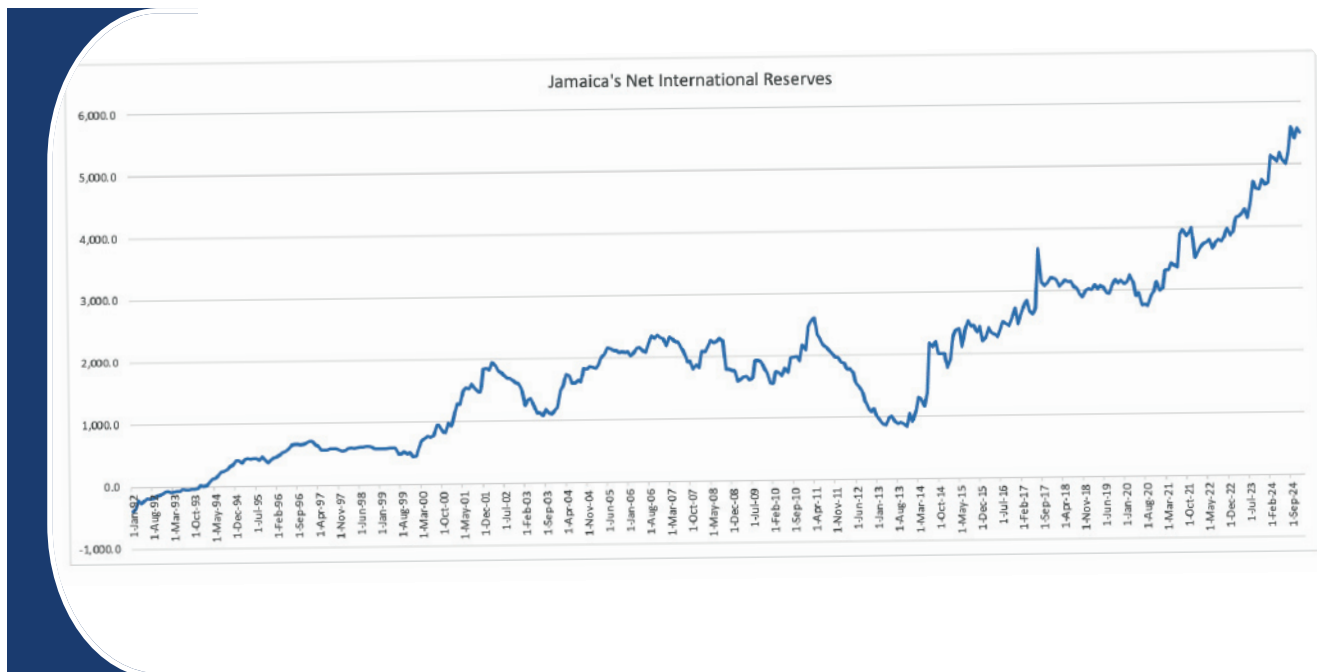
Madam Speaker, we are indeed ending FY2024/25 strong!

Debt/GDP is down and we are on the path to getting to less than 60% Debt/GDP by Fiscal 2027/28. If any one doubts the wisdom of remaining on this path towards 60% Debt/GDP, then they should get off this path and see how swiftly and how negatively the markets would react. For starters, the US\$5.6 billion of Net International Reserves would vanish overnight as the financial sector loses confidence and that would cascade to the rest of the Jamaican economy and to international markets. Confidence, once lost, is very difficult to restore, **Madam Speaker!**



Net International Reserve

So, **Madam Speaker**, we are ending FY2024/25 strong! The Net International Reserves (NIR), is strong at USD5,583.7m as at December 31, 2024.



Source: Bank of Jamaica

Here is a chart from the Bank of Jamaica's database that shows how our Net International Reserves have grown since 1992.

You know, **Madam Speaker**, there are some persons who have been trying to rile up Jamaicans to be loud about getting some of the Net International Reserves to be spent now to take care of short term wants. **Madam Speaker**, that is downright irresponsible! The Net International Reserves is our cushion against the vagaries of the outside world.

Madam Speaker, the main purpose of a country's Net International Reserves is to act as a financial safety net, providing a cushion against external shocks like currency crises or sudden disruptions in capital inflows, allowing the country to meet its foreign exchange obligations and maintain stability in its domestic currency by intervening in the foreign exchange market if needed.

Madam Speaker, do you remember COVID, how would we have gotten supplies and vaccines if we did not have USD to buy them? **Madam Speaker**, riling up Jamaicans to demand that the Net International Reserves be spent, is like telling Jamaicans to go party with their rent money. When the music done at the party, what are you going to do? Again, **Madam Speaker**, I say, "That is very irresponsible and dangerous! **Madam Speaker**, if they mean Jamaica and Jamaicans any good, they should stop encouraging Jamaicans to demand that the Government spend some of the Net International Reserves. That is down-right dangerous and irresponsible!

Inflation



Consumer Price Index

Statistical Institute of Jamaica

7 Cecelio Avenue, Kingston 10, Jamaica

www.statinja.gov.jm info@statinja.gov.jm

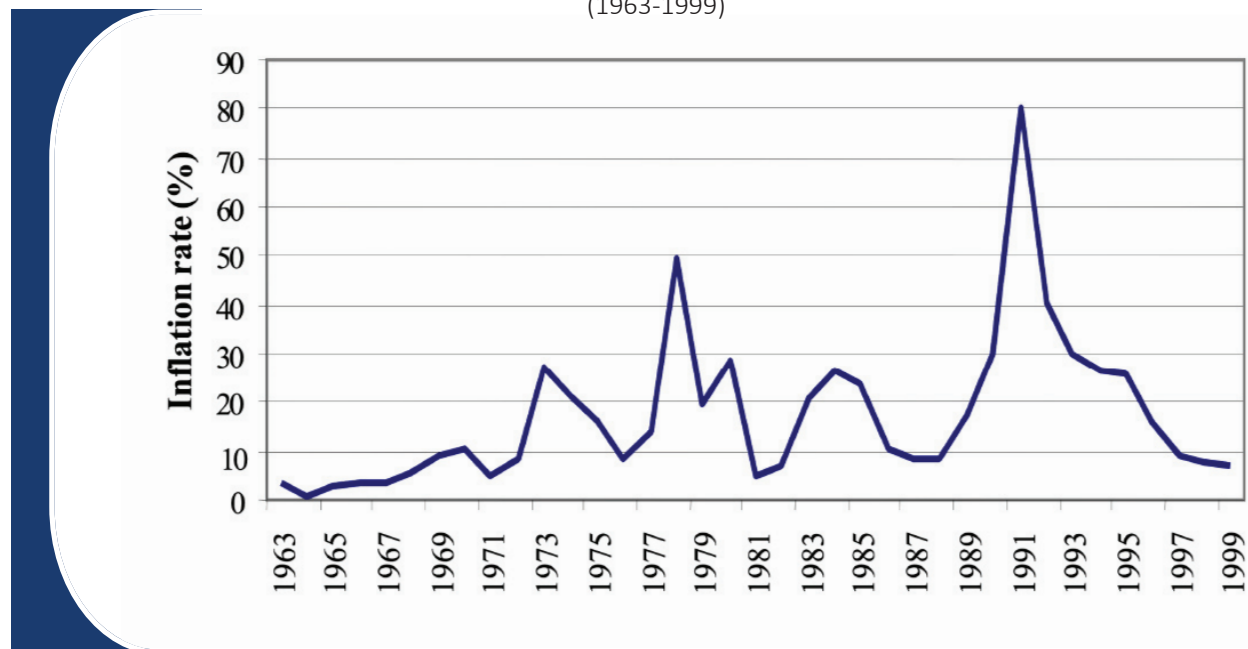


Madam Speaker, we are ending FY2024/25 strong!

The overall Inflation figure remains within the target 4-6 percentage range. I know that for many Jamaicans, inflation at the market for yam, bananas, tomatoes, green peppers and so on got way above the national average for inflation after the category 5 Hurricane Beryl. I know because I go to market and supermarket and so I know the price of food items! After Hurricane Beryl, prices did really fly. However, I am encouraged with the current direction. The last time I heard Minister Green talk he said prices on agricultural items are moderating, a fancy way to say, "price a come down pon de tings inna de market and de supermarket!

Jamaica's Inflation Experience

Jamaica's Inflation Experience Since 1963
Annual Inflation Rates
(1963-1999)



Madam Speaker, I included this chart in my presentation to show our young people what the experience with inflation in Jamaica was from 1963 right after Independence to 1999, a 36-year period. Inflation was well contained in the 0% - 10% band from Independence to 1972. Elections matter, **Madam Speaker**. Can you imagine life with inflation at close to 30% in 1973, at 50% in 1977, 80% in 1991? We have never had a worse period of inflation in our post-Independence history.

Madam Speaker, why am I going all the way back to 1973? Because, **Madam Speaker**, if we do not remember our history, we are doomed to repeat it. Everyone should take pics of these charts and send to all their friends to remind them from whence we came and that we do not want to go back there and certainly not with the people who were responsible for the 30% inflation in 1973, the 50% in 1977 and the 80% in 1991!

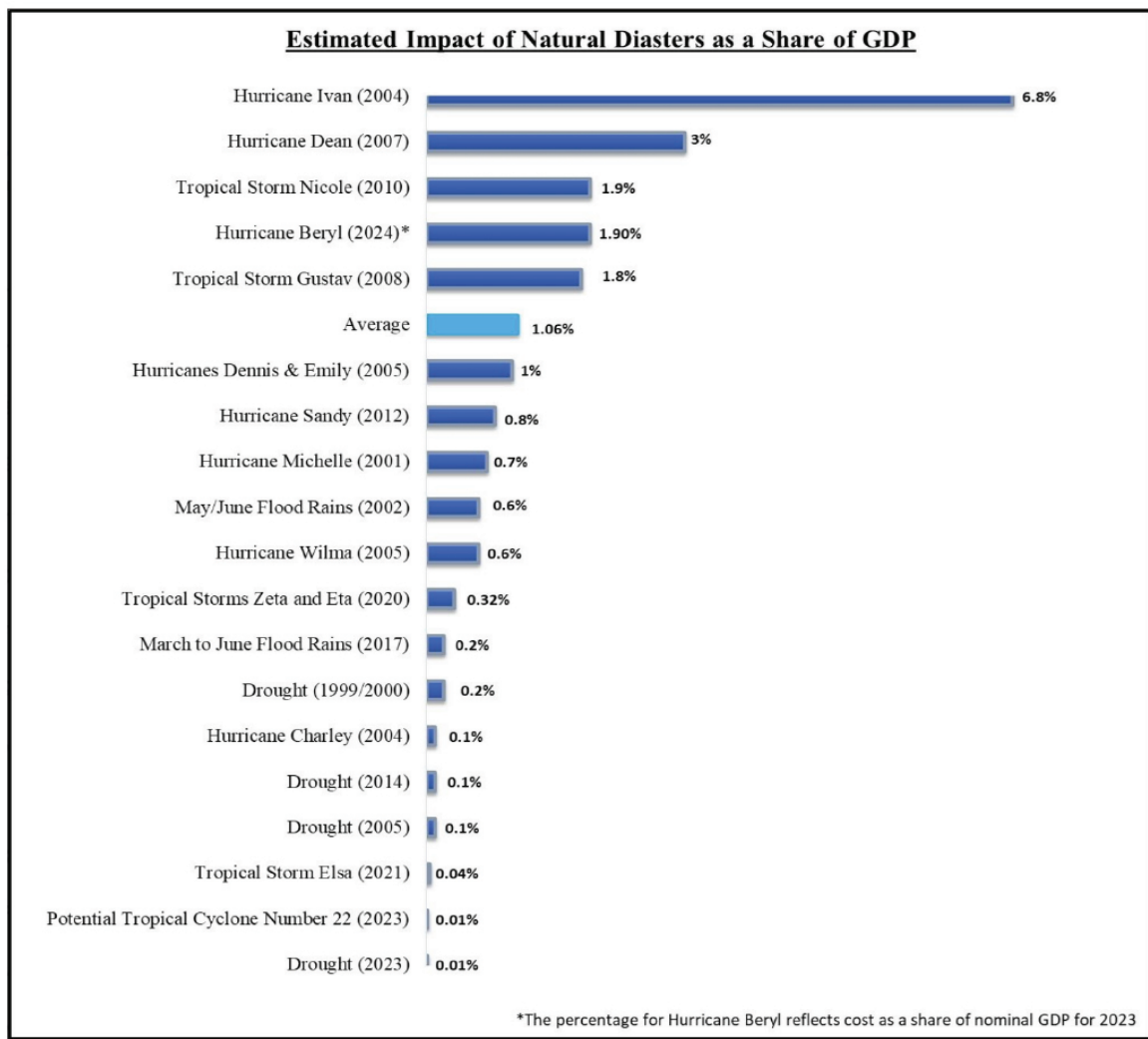


Madam Speaker, we are ending fiscal year 2024/25 strong. As a country, we did better than what was projected, crime is down, roads are being fixed, people got their Reverse Income Tax Credit, inflation is contained, persons and businesses are getting relief with the Special Arrears Settlement Programme, an initiative that relieves the tax payers of the penalties, interest and surcharges that have accrued on an outstanding principal balance. We expanded the limit of the capitalisation of companies on the junior market, reduced the income tax for companies that generate more than a specified amount of energy from renewable energy, clarified the tax rate for trust and corporate services and increased the allowance offered to pensioners and persons over the ages of 55 and 65 years old. We also streamlined the Procurement Act to make it more efficient in its execution.

What a Government!!

Fiscal Year 2025/26

Madam Speaker, we are entering into this new budget year after being battered by drought, a Category 5 Hurricane Beryl like no other, Tropical Storm Raphael and significantly above-average rainfall in October, November and December 2024.



The PIOJ puts the devastation of Hurricane Beryl at 1.9% of GDP in 2023 or \$56.7B. We all remember pics of the devastation.



A motorist navigates past zinc sheets blown off the roof of a house in St. Elizabeth by Hurricane Beryl's gale force winds.



A utility pole, broken power cables and trees, blown down by Hurricane Beryl's gale force winds, restrict access to a service station in St. Elizabeth.



Homes in Portland Cottage damaged by gale force winds..

It cannot be denied that the declines we suffered in GDP during this current fiscal year were as a result of what the Director General of the PIOJ called “hydrological” events. Damage from Hurricane Beryl had the 4th largest negative impact of the 19 natural disaster events that have battered this Jamaican economy since 1999, a 25-year span. Yet, some would want to call down recession on Jamaica!

You have to wonder what their motives are, **Madam Speaker**. Look at the damage from Hurricane Beryl!

Table 1: Summary of Damage and Losses Related to Hurricane Beryl, July 3, 2024

Sector	Sub-Sector	Damage (\$ million)	Loss (\$million)	Public (\$Million)	Private (\$Million)	Total Damage and Loss (\$ million)
Social		29 674.14		7 474.94	22 199.2	29 674.14
	Housing	22 199.2			22 199.2	22 199.2
	Health	3 897.36		3 897.36		3 897.36
	Education	3 560		3 560		3 560
	Culture	17.58		17.58		17.58
Productive		6 987.1	1 789.44	1 754.4	7 022.14	8 776.54
	Agriculture and Fisheries	6 490.8	1 740	1 740	6 490.8	8 230.8
	Industry (manufacturing)		21		21	21
	Hotels and Restaurants	481.9	28.44		510.34	510.34
	Forest	14.4		14.4		14.4
Infrastructure		14 137.81	4 115.91	12 584.5	5 669.22	18 253.72
	Transport	10 250		10 250		10 250
	Electricity	1 923.31	2 165.91		4 089.22	4 089.22
	Water and sanitation	384.5	1 950	2 334.5		2 334.5
	Ports and Seaports	1 580			1 580	1 580
Cross-Cutting issues**			2 866.1	2 866.1		2 866.1
	Gender					
	Employment, livelihoods, and social protection		1 216.1	1 216.1		1 216.1
	Disaster Risk Reduction (DRR)*		1 650	1 650		1 650
Grand Total		50 799.05	5 905.35	21 813.84	34 890.56	56 704.4

*Including allocation for project REACH activities and the replenishment of relief supplies
 ** Costs related to cross cutting issues are not included in the Grand Total to avoid double counting

National Natural Disaster Risk Financing Policy

Madam Speaker, in the face of what we know to be increased intensity of weather-related events, we would have been in a very bad place when Beryl struck if we had not implemented our **National Natural Disaster Risk Financing** with the many layers of “shock absorbers” for the economy. **Madam Speaker**, had this government not had the foresight to ensure we had this multi-layered risk-absorbing facility in place, we would not have been able to do the emergency repairs to public infrastructure, the clean-up and relief recovery activities, as well as social expenditure to assist the indigent and other vulnerable populations. Our schools would still be in very bad shape. A large percentage of the students would not have been able to attend school up to now because their school building would not have been fixed yet. I should know. I was the Minister of Education at the time!

Madam Speaker, here is what this government has put in place to cushion the budget during disasters and provide for Jamaicans, a \$130.6B National Natural Disaster Risk Financing shock absorber. And it says, in times of disaster, start with what you can reallocate, what you can defer, delay or cancel. If that is not enough, go to the next layer, the contingencies fund and the National Disaster Fund. The is \$4.8 billion, then you go next to the National Natural Disaster Reserve Fund that has \$1 billion. Together, these two funds total \$5.8 billion and they are Jamaica’s own resources. If that is not enough, we have two contingent credit arrangements, thanks to our international partners. This month, we added the Catastrophe Deferred Drawdown of \$6.5 billion to the shock absorber we already had. Layered on top of that is the Caribbean Catastrophe Risk Insurance Facility (CCRIF) for \$19.2 billion and then if we get one of those really, really bad disaster, we have the Catastrophe Bond for \$25 billion, for a total of \$130.6 billion. That is the size of our shock absorber, **Madam Speaker**.

This Gov			Other Earlier Gov
Budget reallocation/ extend the time for project completion/cancel projects/defer projects to another period	Funds available will depend on flexibility to reallocate		??
Contingencies Fund & NDF	\$4,843.8	Jamaica's own resources	\$0
National Natural Disaster Reserve Fund	\$1,000.0	Jamaica's own resources	\$0
Contingent Credit Facility (IDB)	\$47,713.5		\$0
Contingent Credit Arrangements	\$26,284.3		\$0
CAT DDO – Deferred Drawdown Option (signed Mar 2025)	\$6,510.0	The Catastrophe Deferred Drawdown Option help countries take a proactive stand towards reducing exposure to catastrophic risk and access funds immediately after a natural disaster.	\$0
Caribbean Catastrophe Risk Insurance Facility-Segregated Portfolio Company (CCRIF)	\$19,185.8	Caribbean Catastrophe Risk Insurance Facility-Segregated Portfolio Company (CCRIF-SPC) insurance policy for Tropical Cyclone (US\$81M) and Excess Rainfall (US\$33.6M) - started in 2007 with Caribbean members	\$ 19,185.8
Catastrophe Bond (Cat Bond)	\$25,112.4		\$0
Total	\$130,649.7		\$19,185.8

They, on the other side, in all the years they have been in government spending, spending, spending... did not consider the future of Jamaica to provide for contingencies for disaster. I give them credit for continuing the payment for the CCRIF insurance, which was started under us during 2007 – 2012, but there was nothing else, no contingencies other than the begging I see them practising in the US recently.

Madam Speaker, can you imagine if this government had not put in place this multi-layered National Natural Disaster Risk Financing Policy (NNDRFP) to ensure we recovered quickly from Beryl and Rafael in record time? All now, we would be in darkness, without water, the roads would be impassable, school would not have been repaired, no cash resources available for farmers, businesses and families.

The commitment of this government, **Madam Speaker**, is to continue strengthening our multi-layered National Natural Disaster Risk Financing and to fill in any gaps that we have. I am pleased to note that on Tuesday, March 4, 2025, an additional facility was added for an amount of \$6.5 billion to bring the total of that would be available to Jamaica to \$130.6 billion. Of course, how much we can access will depend on the severity of the disaster.

Madam Speaker, I must give former Minister Nigel Clarke his props for this. He not only had the foresight, he did the work! We are continuing that work!

And so, **Madam Speaker**, the question that the Jamaican people should be asking themselves right now, **Madam Speaker**, is who would you rather have, a Government with the foresight to have put in place a \$139-billion shock absorber for this Jamaican economy or one that “run wid it” during an election year when there was no room in the budget?

Seismic Changes

Madam Speaker, it's not just the weather across the world that has caused dislocation. We are entering the new fiscal year with the most seismic of changes swirling: geopolitical changes, heightened tensions regarding tariffs, many Jamaicans at home here in Jamaica are beginning to see relatives they have not seen in a very long time and swirling all around us are “...**developments in Artificial Intelligence (AI) which continue to Astound—and Concern.**” The Nobel Prize Committee recently recognised AI’s importance when it awarded the Nobel Prize in Physics to John Hopfield and Geoffrey Hinton “for foundational discoveries and inventions that enable machine learning with artificial neural networks” and half of the Nobel Prize in Chemistry, **Madam Speaker**, went to Demis Hassabis and John Jumper for developing an “AI model to solve a 50-year-old problem in protein research by accurately predicting the protein complex structures based on their amino acid sequences.

Madam Speaker, I am not a scientist and so I used AI to help me understand the significance of solving this 50-year-old problem to predict the complex structure of protein. Scientist say that “Results That Once Took Years, Now Take Seconds.” **Madam Speaker**, there is a lot of discussion and that discussion is growing on whether and how to regulate AI. Agreement on that score remains elusive because, again, experts say **too much is changing too fast**”.

Madam Speaker, why am I going so far afield talking about AI?

Because, **Madam Speaker**, scientists say these advancements hold transformative potential for fields like medicine, biotechnology and environmental science. That we can now predict protein structures and design our own proteins confers the greatest benefit to humankind.

We are living in an awesome time, **Madam Speaker**. As a result, as a government, we must generate budgets that help to equip our people for an environment that experts say is “**changing too fast.**”

Central Government - Fiscal Year 2025/26

Madam Speaker, for the central government for fiscal year ending 31st March 2026, the total recurrent expenditures, which includes wages and salaries, for the various Ministries, Departments and Agencies of the Central Government is \$1,034,707,200. This is a increase of 9.6% over the **recurrent expenditure** of FY2024/25.

Capital spending of \$62.6 billion for central government is up 1.5% from the revised estimate of \$61.7 billion. We had originally anticipated to spend \$80 billion when the budget for FY 2024/25 was first tabled in parliament.

Madam Speaker, debt amortisation, which is where a lot of confusion was among those who took an initial look at the expenditure, was \$317.3 billion in FY2024/25 but it is only going to be \$162.7 billion in the upcoming FY2025/26. If you simply used the number in the FY2025/26 Estimates of Expenditure, you would conclude that the recurrent expenditure dropped by almost 10%. That would not be the correct conclusion. Expenditure, excluding the debt amortisation, was up 9.6% for this upcoming budget year versus that of the budget year we are closing.

Additionally, **Madam Speaker**, we are projecting to spend \$5 billion less on interest expense. That means more is available to spend on those things Jamaican care about: roads, water, education, security, health, technology, garbage collection, new buses and so on.

Madam Speaker, capital spending, which is monies to take care of roads, lay water pipelines, build schools, police stations, courthouses, build houses etc., is expected to total \$163.8 billion across government when you add together the capital spending by central government (\$62.6B) to the \$103B capital spending our public bodies will deploy. This is a 36.5% increase over what is being spent in this fiscal year ending March 2025. This will significantly add to GDP growth in the new fiscal year.



2025-2026 Jamaica Budget

Summary of Public Sector Estimates of Expenditure

\$'000

Total Central Government and Public Bodies

Particulars	Gross Total	Less Appropriations in Aid/Transfers from Consolidated Fund	Net Total
CENTRAL GOVERNMENT			
Recurrent	1,083,840,577	49,133,377	1,034,707,200
Capital	62,595,560		62,595,560
Amortization	162,746,218		162,746,218
Total	1,309,182,355	49,133,377	1,260,048,978
PUBLIC BODIES			
Recurrent	537,963,959	28,319,957	509,644,002
Capital	102,965,802		102,965,802
Amortization	10,301,485		10,301,485
Total	651,231,247	28,319,957	622,911,290
Consolidated Public Expenditure	1,960,413,602	77,453,334	1,882,960,268



2024-2025 Jamaica Budget

Summary of Public Sector Estimates of Expenditure

\$'000

Total Central Government and Public Bodies

Particulars	Gross Total	Less Appropriations in Aid/Transfers from Consolidated Fund	Net Total
CENTRAL GOVERNMENT			
Recurrent	988,717,910.0	44,992,720.0	943,725,190.0
Capital	80,000,000.0		80,000,000.0
Amortization	317,339,634.0		317,339,634.0
Total	1,386,057,544.0	44,992,720.0	1,341,064,824.0
PUBLIC BODIES			
Recurrent	535,155,307.0	45,215,290.0	489,940,017.0
Capital	98,197,755.0		98,197,755.0
Amortization	29,284,497.0		29,284,497.0
Total	662,637,559.0	45,215,290.0	617,422,269.0
Consolidated Public Expenditure	2,048,695,103.0	90,208,010.0	1,958,487,093.0

Public Bodies

Madam Speaker, we have 150 active public bodies. We don't give enough recognition to them. They perform regulatory, advisory, supervisory, research, administrative, technical or quasi-judicial functions.

Many of them are funded by the Consolidated Fund but there are 52 that provide, through their various services, major contributions to the economy.

	% inc/(dec)	FY2025/26	FY2024/25
Projected Gross Assets	6.6%	\$1,611.38B	\$1,511,72B
Employment	5.5%	14,203	13,462
Revenues	8.7%	\$644.24B	\$592.85B
Transfer to Central Gov	-17.8%	\$62.91B	\$76.55B
Capital Spending	4.2%	\$101.24B	\$97.20

These public bodies are in the portfolios of various Ministers on which they will report during their sectoral. **Madam Speakers**, together the public bodies are expected to end the new fiscal year with \$1.6 trillion of gross assets. That is 6.6% greater than the gross assets in the fiscal year that is drawing to a close. They are projected to employ 14,203 persons or 5.5% more than they did in the 2024/25 fiscal year and they are projected to generate revenues of \$644.24 billion, an 8.7% increase over that of FY2024/25. For the upcoming fiscal year, we are asking a little less in terms of transfers from them but you will see that their capital spending will be 4.2% more than the \$97.2 billion they spent in FY2024/25.

So, **Madam Speaker**, those are the important budget figures for Fiscal Year 2025/26 for central government and for the public bodies.

Now, I am sure what all Jamaicans want to know is how are we going to fund those budgeted expenses, what is in the budget for the country and what is in the budget for them personally.

You know, **Madam Speaker**, as a young girl living in Kingston right after graduating from Ferncourt High School, every time it was budget time, I would feel the knots in my stomach because I knew that a big part of the little pay I was getting at the time would be gone into higher taxes. I recall feeling anxious around budget time because I knew the inevitable, more new taxes. At that time, **Madam Speaker**, it was not our side that was in government.

Madam Speaker, I would like you to take a look at this chart, look at the years (1992 – 2004). There was one government in charge, the same government occupied the Parliament for all those year. Now, look at the fiscal

balance as a percentage of GDP. Look at the budget balance as a percentage of GDP – NEGATIVE, NEGATIVE, NEGATIVE, NEGATIVE, NEGATIVE, NEGATIVE, NEGATIVE, NEGATIVE, NEGATIVE, NEGATIVE!

Table 1
Performance of the Jamaican Economy: Selected Indicators

Year	Real GDP (in J\$ million)	Real GDP Per Capita (in J\$)	Percentage Change in Real GDP ^a (IMF Definition)	Public Debt as a Percentage of GDP ^b	Fiscal Balance as a Percentage of GDP ^c	Fiscal Balance as a Percentage of GDP ^d	Budget Balance as a Percentage of GDP ^e	Primary Surplus as a Percentage of GDP ^e
1992-1993	240,507	99,383	1	115.3	3.6	-0.1	2.2	12.0
1993-1994	244,580	99,829	1.7	119.6	-2.4	2.0	1.6	11.8
1994-1995	248,912	100,774	1.8	101.2	-2.2	-2.0	3.9	13.3
1995-1996	248,964	99,586	0.0	96.9	-4.1	-0.8	2.5	10.8
1996-1997	246,139	97,288	-1.1	79.8	-14.2	-12.0	-5.7	5.6
1997-1998	244,579	95,913	-0.6	84.2	-6.8	-15.6	-9.6	1.9
1998-1999	242,377	94,310	-0.6	86.0	-7.2	-13.7	-11.9	5.4
1999-2000	245,836	94,917	1.1	100.0	-4.9	-4.1	-8.1	9.4
2000-2001	247,792	95,305	0.8	100.7	-1.2	1.0	-4.5	11.5
2001-2002	250,359	95,557	1.0	132.1	-2.7	-5.2	-5.6	7.8
2002-2003	255,198	97,404	1.9	140.5	1	-7.3	-7.6	7.3
2003-2004	260,302 ^e	98,599 ^e	2.0	142.8	1	-7.4	-7.0	11.1

Source: GDP data are from the Ministry of Finance and Planning, Jamaica, www.mof.gov.jm, unless otherwise noted.

a. International Monetary Fund (2004b).

b. Total public debt/GDP data are from the Ministry of Finance, Jamaica, <http://www.mof.gov.jm/dmu/> (accessed September 1, 2004).

c. Fiscal balance is current and capital revenue and official grants received, less total expenditure and lending minus repayments. Data are from World Bank (2004).

d. Fiscal balance is the difference between total revenues and total expenditures. Data are calculated using data from the Ministry of Finance and Planning, Jamaica, www.mof.gov.jm.

e. These estimates are based on International Monetary Fund data.

To this day, **Madam Speaker**, I carry that feeling in my gut whenever I remember the struggles in those years in which I had to paddle my own canoe as a young lady in this country while helping to take care of my younger sister.

Election Year

Madam Speaker, I know that we all know that this is an election year. I know as well that Jamaicans have grown to know that as a government we are committed to remain disciplined. We could not throw away the hard-won gains of the people of Jamaica, **Madam Speaker**, not even to win an election.

How will the budget for Fiscal Year 2025/26 be funded?

So, **Madam Speaker**, the central government budget will be funded with \$949.5 billion of tax revenues; \$139.8 billion of non-tax revenues; \$812 million of bauxite levy and \$5.96 billion of grants.

In terms of the debt payment, we have \$162.7 billion of debt that comes due in FY2025/26; we forecast loan receipts of \$158.4 billion and we expect to pay \$4.3 billion from our own resources.

For the upcoming fiscal year FY2025/26, we are projecting a surplus, a small surplus, but it sure beats the negative, negative, negative, negative, negative, negative, negative, negative, negative, negative, negative; 10 years of negative fiscal balance out of 12 years between 1992/93 to 2003/04 which plunged Jamaica into the abyss!

Take a look at the Debt/GDP figures, practically every year that the government of 1992 to 2004 ran a budget deficit the Debt/GDP went higher. They mortgaged the future of the Jamaican people! At 68.7% debt/GDP at the end of this FY2024/25, we have just about emerged into the light from the deep sink-hole in which the run-wid-it government plunged Jamaica!

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e. These estimates are based on International Monetary Fund data.

TAJ's Tax Survey

Madam Speaker, recently the TAJ conducted a survey and it asked Jamaicans what they believe the implications are when TAJ does not collect taxes. The answers may surprise many!

Consequence of Low Tax Collections

Implications When TAJ Does Not Collect Taxes (yes %)

Health of economy is negatively impacted	91%
Ability for Government to pay for social amenities is reduced eg....	89%
Inability to service the country's debt	89%
Inability to invest in infrastructural development	87%
Inability to pay the salaries and wage of public sector workers	89%
Increase in tax rates	72%
Inability to establish an optimal budget for the country	88%
Increase tax burden on those who pay taxes	78%

These responses are encouraging to me to know that when all is said and done, Jamaicans do understand that a government, any government, has to collect taxes to pay for social amenities, service the country's debt, invest in infrastructural development, pay the salaries and wages of Public Sector workers among other things. For example, in the expenditure for this upcoming fiscal year, we have had to make an allocation for the new round of wage negotiations plus the one-offs and back-pay or retro-pay due to some groups. Jamaicans get it, **Madam Speaker**.

Compensation of Employees

In the budget, **Madam Speaker**, Compensation for government employees is in the budget at \$495.8 billion and it includes new rates of pay for: Medical Consultants, Dental Surgeons, Parish Court Judges and Probation/Aftercare officers; back-pay for Medical Consultants and Parish Court Judges; an allocation to support the employment of agricultural wardens; \$1.0 billion to support continuation of the Jamaica National Service Corps; and a Compensation Contingency Provision of \$33.0 billion to meet the cost of Public Sector wage settlements including a provision of \$3.0 billion to support the filling of vacant technical positions in Regional Health Authorities. That's in the budget!

Wages and Salaries

On the issue of the current rounds of wage negotiations, **Madam Speaker**, the Ministry of Finance and the Public Service has, thus far, received 11 claims to include Jamaica Civil Service Association (JCSA), Jamaica Confederation of Trade Unions (JCTU), Jamaica Teachers Association (JTA), Police Officers' Association (POA) and groups within the health sector. The Government has commenced discussions with the Unions/Associations for the new contract period. The continued engagement of all stakeholders remains key to the maintenance of harmony in the Public Sector.

Madam Speaker, there has been quite a bit of public debate on the issue of whether or not we have a cap on Public Sector wages in relation to GDP. **Madam Speaker**, the history is that up to April 2023 Jamaica had a rule to cap Public Sector wages and salaries at no more than nine per cent (9%) of Gross Domestic Product (GDP) each year. The cap was implemented in 2013 while Jamaica was in an IMF programme with the then government. You may recall, **Madam Speaker**, that the then government signed the US\$615 million Extended Fund Facility (EFF) with the IMF in 2012. At the time of implementation of the wage/GDP cap of 9% each year, our national debt stood at 147% of GDP and inflation was 9.1%.



NEWS

Gov't Decides Against Reintroducing Cap on Public Sector Wages

106 likes, 31 comments, 30 shares

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nationwide90fm The government is not contemplating re-imposing the cap on public sector wages as a percentage of GDP despite calls from fiscal experts to do so.

That's the word of Minister of Finance, Fayval Williams.

A cap of nine percent of GDP was previously imposed as part of the country's Economic Reform Programme. It was abandoned years after, having met the target in only one quarter.

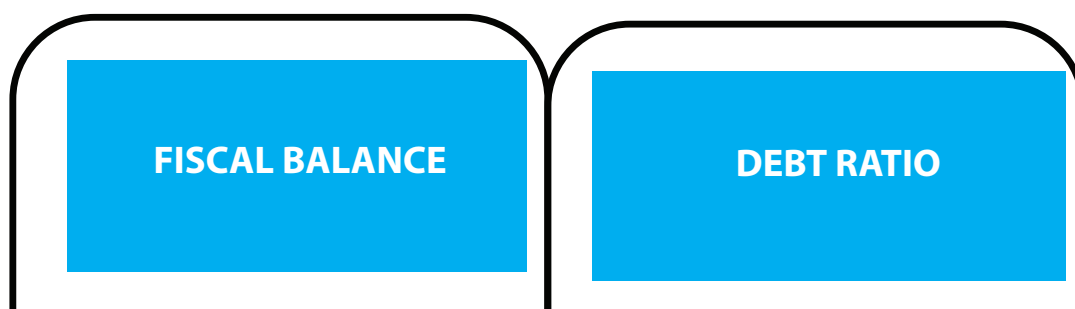
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Contrast this **Madam Speaker** to a Debt/GDP of 68.7% that we expect to see when we close this FY2024/25 on March 31st as opposed to 147% Debt/GDP then when the rule was put in place. Contrast this as well ratio to inflation at 4.7% at the end of January 2025. Inflation then in 2012 was almost twice where it is now. Additionally, and very significant, this government formally adopted inflation-targeting policy in 2017 which is being implemented by the Bank of Jamaica of inflation being in a range of 4% to 6%. Following all of that, in 2022, this administration abolished the Wage-to-GDP cap in order to address retention issues, wage freezes and historical underpayment in the Public Sector.

Truth be told, **Madam Speaker**, the history is that the target was met only once and the cap was criticised for stifling Public Sector reforms and contributing to attrition in critical services like healthcare and education.

But I don't want Jamaicans to believe that there are no controls on the budget. The major controls we have on the budget is the Fiscal Balance Rule and the Debt Ratio.



I believe every Jamaican should know by now that the **Debt/GDP** ratio is being targeted to be 60% or less by FY2027/28 and that by the time we close this FY2024/25, we expect to be at 68.7%.

The Fiscal Balance Rule is also a strong guardrail for the financial affairs of this country. It is not as well-known as the Debt/GDP target but it is codified in our laws as a target in FY2020/21 and continuing for 4 years and that is that we have a Fiscal Balance surplus of no less than 0.3% of GDP. This was only missed during FY2020/21, the year of COVID, and I am sure you can understand why.

It has been proven that by containing our spending by the Fiscal Balance Rule and the Debt/GDP and maintaining that discipline then our fiscal affairs will remain on a sustainable path. For the Public Sector, the focus should now be on pay-for-performance, efficiency in service delivery and productivity gains.

Madam Speaker, as we approach the start of the new fiscal year, we intend to make significant progress in the implementation of the pay-for-performance element of the new compensation system. We have begun the conversations with our union partners because we must continue to transform to provide the framework and tools to improve productivity in the Public Sector. The pay-for-performance system is a key component in incentivising performance in the Public Sector.

Public Sector Transformation – Enabling a Productive Public Administration

Madam Speaker, we are ending FY2024/25 with gains in efficiency and productivity in government!

I want to extend my sincere gratitude to my predecessor, Dr. Nigel Clarke, for a very good run of the first leg and handing the baton to me to continue the race. At the same time, I must express my thanks also to our union partners and Public Sector workers who have stayed the course as we navigate some difficult terrains.

Madam Speaker, this Honourable House will recall that in 2017 this Prime Minister signalled the Government's intention to pursue modernisation of the State in a more deliberate and transformative way. I want to pause to acknowledge the support of our international development partners in assisting us in key areas of our development agenda.

It is very easy to say, **Madam Speaker**, that the Government is inefficient and ineffective and I am the first to admit that whilst we have achieved a lot, much more is left to be done but, if we look dispassionately at the Public Sector, it must be acknowledged that significant strides have been made. Even as we modernise and transform, we must continue to deliver public services; we cannot close shop and put up a sign to say 'under transformation, re-opening soon.' Exercises like these take time and require consultation with multiple stakeholders, as we all work together to build a better Public Sector for all.

Madam Speaker, some the strides made include:

- Expanding the use of ICT in the Public Sector to drive efficiency and effectiveness;
- Building a shared services operation as a means of transforming the way Government provides service internally;
- Transformation of human resource management practices;
- Compensation management; and
- Rationalising our public bodies.

Under this programme, GovNet became a reality under the efficiency pillar. There is now a dedicated broadband infrastructure for the public sector. To date 700 entities in the Kingston Metropolitan Area are now directly connected to the system. We are talking about Ministries, Departments, Agencies, schools, courts, and police stations.

At the same time, the Data Centre at eGov Jamaica has been upgraded and its data storage capacity has been increased by 260%. We have also provided the Public Sector with additional cloud infrastructure and all the automated management tools and security components that are needed for eGov to operate a modern data centre on behalf of the rest of the public service.

Additionally, by leveraging GOJ-owned communication assets, digital systems can now interface more easily, allowing for greater interoperability between digital platforms in the public sector. This means that the framework is in place to allow for e-government services, citizen-facing applications, and back-office operations to integrate more efficiently, reducing duplication, improving service delivery, and ensuring that government processes are faster, more secure, and more responsive to the needs of the public. Yes, more work is to be

done but the foundation is set for citizens to feel like they are interacting with ONE interconnected government instead of siloed MDAS.

The Transformation Implementation Unit has also partnered with four (4) Ministries to implement systems to improve the way they deliver key services.

A customer relationship management system was implemented at the Passport, Immigration and Citizenship Agency of the Ministry of National Security. The system went live November 13, 2023 and approximately 50,000 customer interactions have been processed through it. This has been having a positive impact on customer service at the Agency as it can now easily track and monitor and respond to customer queries in less time. It also provides data to PICA about customer issues allowing for the development of permanent solutions. I am sure our Deputy Prime Minister Chang will highlight much more in his sectoral presentation.

IrieFINS - a web-based fisheries licensing and registration system for fishers and fish farmers was implemented at the National Fisheries Authority. The system went live in February last year and is a game changer for the National Fisheries Authority. I am sure Minister Green will speak more on this in the sectoral debate.

At the Ministry of Labour and Social Security, the Transformation Implementation Unit has supported the Ministry to develop an effective and user-friendly, web-based Work Permit System to improve the processing of Work Permit and CARICOM Skills Certificate applications. We expect that this will result in a reduction in the time it takes to process these applications from 8 to 2 weeks in the first instance. I understand Go-Live for this system is currently scheduled for the end of April 2025. I am sure Minister Charles will speak more fulsomely to this.

Madam Speaker, the Transformation Implementation Unit is particularly proud of the partnership with the Child Protection and Family Services Agency (CPFSA) to modernise its ICT infrastructure, build out sensory spaces for children with special needs, develop and pilot a behaviour modification programme, enhance its mobile mental health unit and provide computing equipment. This project touches our most vulnerable children – the future of this country and the project has achieved the desired results.

The CPFSA can now boasts a unified network built on modern, secure, and robust technology. Prior to these enhancements, the child-case management system, SOHEMA, could only be consistently accessed by officers at the corporate head office. This automation enhanced the National Children's Registry Child-Case registration process.

Still on the ICT front, MyHR+, an integrated HR and payroll management system, is the first enterprise system successfully deployed in the Public Sector. It is now being used by approximately 70 Ministries, Departments and Agencies, which is putting the government on a path to better managing its most critical resource — people.

Madam Speaker, by introducing MyHR+, the Government's HR Management Information System with Payroll, employees can now access their records, anytime, to ascertain information such as leave balances, status of requests for approval, and their payslips. They no longer need to go to HR to access this information. Employees can submit requests to HR for services through Employee Self-Service for services such as employment verification letters and submit claims for payment and leave requests to managers for approval directly through

the system. On the other hand, through Manager Self-Service: People managers can monitor employees' performance and approve leave requests and claims for onward processing by Payroll all online. All of this is done seamlessly through MyHR+.

Madam Speaker, we have been able to address some of the residual issues of the new compensation system and I am pleased to report to this Honourable House that we have agreed two key policies with the unions – one for **work done outside of normal working hours** and the other for **the provision of uniform allowances**.

In the upcoming fiscal year, we will implement a new phase of the Public Sector Transformation Programme to build on the gains made in Phase One. Phase Two will focus on digital transformation continuing to ensure the requirements for increased productivity in the Public Sector are in place. We eagerly look forward to the commencement of the programme.

Transformation a “fi wi ting” and we are making strides!

Recurrent Programmes/Support to Self-financing Public Bodies

Support to Self-financing Public Bodies of \$27.8 billion in is the budget, of which \$11.0 billion is allocated to the Jamaica Urban Transit Company (JUTC)/MoBay Metro; \$10 billion to the National Water Commission (NWC); \$900 million to the Transport Authority; and \$210 million to the Jamaica Commodity Regulatory Authority (JACRA). That's in the budget!

Madam Speaker, let me pause to say that the \$10 billion allocation to the National Water Commission was the easiest “yes” for me. I remember as a child in Tydixon that we either had to have a tank in our yard or a drum to catch rain water in order to have water for cooking, bathing, washing our clothes and all the other things we do with water. **Madam Speaker**, even though we had a tank in our yard, the tank leaked and so unless rain fell heavily, the tank was generally dry. **Madam Speaker**, I remember many school mornings in order to tidy up to go to primary school that as children (me, my younger brother and sister and other children in Tydixon) had to go to the one government public tank to catch water in a pan, put the pan of water on our heads with a “katta” under it to keep it steady in order for us to have water to use to tidy up before we go to school, and we could not be late for school either.

I know that this may still be happening in some rural communities and so when I say \$10 billion to NWC was the easiest yes. It is because I lived the experience of an ordinary Jamaican in rural Jamaica, in Tydixon, and I know the hidden hopes and dreams of ordinary Jamaicans for a better life! They want running water in their bathrooms, in their kitchens and available for them when they need it. **Madam Speaker**, this Government, will continue to work to make that happen for every Jamaican household across the length and breath of Jamaica.

So recently, I gave my strongest endorsement to the PPP – Public-Private-Partnership

- that Prime Minister and Minister Samuda signed with the various partners to build the Rio Cobre Water Treatment plant at a cost of US\$77 million or J\$12 billion to bring an additional 15 million gallons of water to benefit Jamaicans. It was criticised for having an interest rate that, to those who do not have the responsibility of contemplating and planning the future of Jamaica, seems a little high. When I heard of these comments, I WhatsApped Minister Samuda and said I will defend this project anytime because the

issue in 3 or 4 years' time, when water is needed as the population in Kingston and St. Andrew and our 15th parish, Portmore, grows, the issue will be water versus no water, not interest rate.

Madam Speaker, I know the hidden hopes and dreams of ordinary Jamaicans for a better life. Our commitment is to continue creating the pathway for that better life.

Madam Speaker,

- Approximately \$2.1 billion of which \$1.1 billion is allocated to the Ministry of Labour and Social Security to provide individual grants of \$20,000. That is in the budget! The Prime Minister will speak to this in his Budget presentation. He announced this at that special conference in Nov 2024 at the National Arena. That is in the budget!
- There is \$1.0 billion to the Ministry of Science, Energy, Telecommunications and Transportation to support a programme dealing with the alleviation of energy poverty. That is in the budget and I will speak to it shortly.
- Restoration and Maintenance of Major Corridors and Gullies Programme at \$4.6 billion is in the budget; our PM will speak to the specifics of this.
- There is \$1.96 billion to support the holding of General Elections within the fiscal year. That is in the budget!
- The payment of principal amounts of \$1.1 billion on NHT arrears of approximately \$2.4 billion which includes Penalty of \$1.3 billion. These arrears were incurred over the period 2011-to 2023 by the Ministry with responsibility for Education. That is in the budget!
- Subvention of \$1.7 billion to the University Hospital of the West Indies (UHWI) to address new salary rates and arrears for medical consultants as well as the filling of technical staff positions; That is in the budget!
- Pension
- UTech – Obviously, **Madam Speaker**, I can't list every single thing that is in the budget but to say to UTech, you are in the budget.
- **DBJ and Micro, Small and Medium Enterprises (MSMEs)**
DBJ is a public body in the MEGJC that channels financing to MSMEs as well as to large projects in order to drive economic growth and development. It will continue to pursue innovative means of mobilising funding and leveraging private sector investment and expertise through its venture capital programme as well as public-private partnerships and privatisation transactions.

Madam Speaker, \$2B is in the budget for DBJ to allow them to continue to facilitate sustainable growth of start-ups and MSMEs through the Boosting Innovation, Growth and Entrepreneurship ecosystems project and continue to support women-led initiatives, entrepreneurship training, including digital skills boot camps. \$2B is in the budget for the DBJ for MSMEs.

Employment by MSMEs

We have to commend our MSMEs!

The latest figure from the SBAJ is that there are an estimated 422,000 registered small businesses in Jamaica generating 80% of the jobs in the Jamaican economy. This means 1,136,240 persons in our workforce are employed by a micro, small or medium enterprise.

Top Concerns for MSMEs

The top concerns for small businesses that I hear repeated over and over again, and Minister Hill will tell you as well, is access to financing, and not just plain vanilla access. They want equitable access to financing. They are also feeling the burden of high interest rates and have said to me that opening a bank account for their business is difficult. They feel that there is no difference between the requirements for them as opposed to a very large institution.

MSMEs and Minister Hill, let us sit down with the banks and see how we can agree to reduce the burden of opening a bank account for MSMEs.

Capital Programmes

The \$62.6 billion proposed for Capital Expenditure in 2025/26 that will be spent by central government includes a Contingency Provision for new public investment projects of \$2.1 billion.

Major infrastructure projects under implementation by the Ministry of Economic Growth and Job Creation account for \$30.6 billion or 49% of the \$62.1 billion allocated to Capital Expenditure. The PM will speak to his plans for roads and parks – plenty roads and plenty parks. That’s in the budget!

Other Ministries in receipt of significant capital expenditure allocations are:

1. **MOHW** - \$10.2 billion is in the budget for MoHW, including \$5.0 billion for Cornwall Regional Hospital and \$4.1 billion for the IDB supported Prevention & Care Management of Non-Communicable Diseases (i.e., work on the Spanish Town Hospital); That’s in the budget!
2. **OPM** - \$4.6 billion is in the budget for the Office of the PM including \$3.0 billion for the NIDS. That’s in the budget!
3. **MSETT** - \$4.5 billion is in the budget for MSETT, including \$3.2 billion for the procurement of new buses for the JUTC; That’s in the budget! Minister Vaz will speak more on this during his Sectoral Presentation.
4. **MOESYI** - \$4.2 billion is in the budget for Education, including \$1.7 billion to the Primary and Secondary Schools Infrastructure Programme; that’s in the budget!
5. **MOAFM** - \$3.7 billion is in the budget for Min of Agriculture, Fisheries and Mining, including a total of \$2.2 billion for the Essex Valley and Southern Plains irrigation projects; Minister Green will be extremely happy to give the details in his Sectoral speech about the Southern Plains Agricultural Development Project, about all the wells and canal network he will be constructing. He won’t be telling you he is “planning to

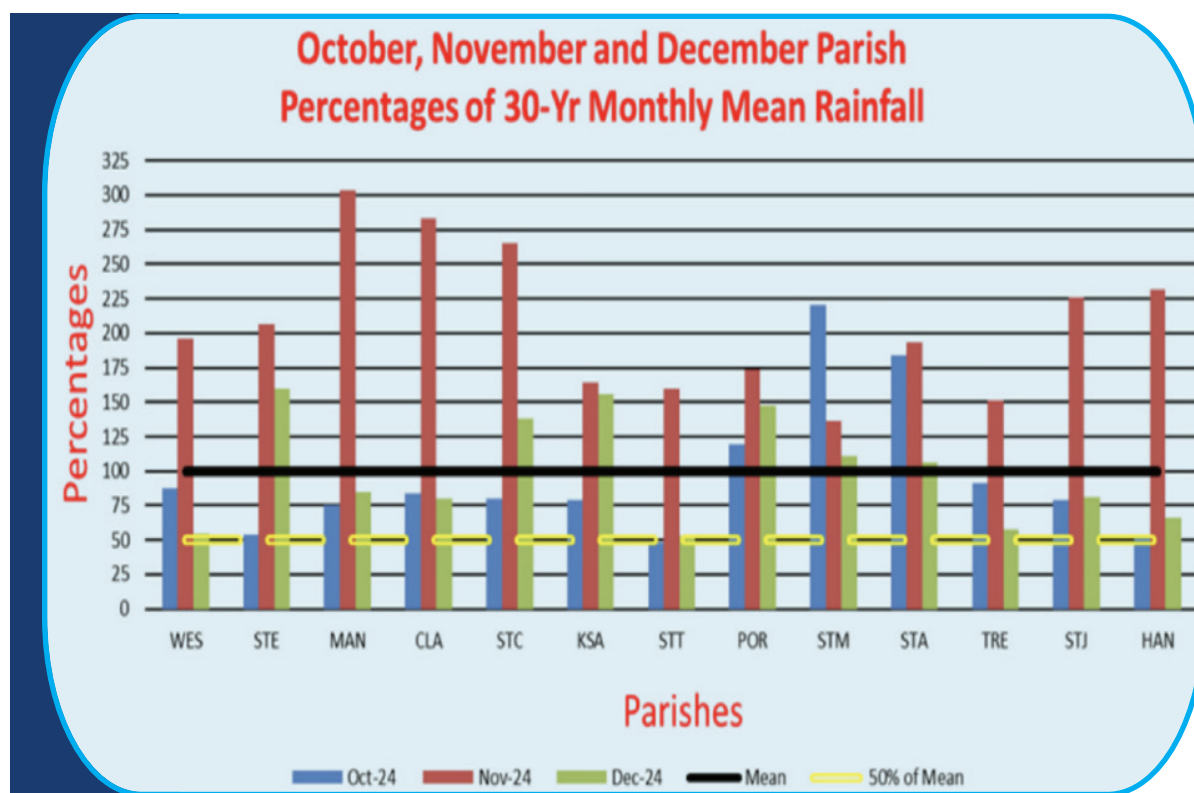


Headley Allen's egg farm in Nightingale Grove, St. Catherine, involves the operation of 4,000 ready-to-lay pullets producing approximately 85,000 eggs per year. A DBJ loan assisted Mr. Allen to expand his farm.

do something.” He will tell you of the work that he has done already, the work that is underway but more important he is going to tell you he has \$2.2 billion for the Essex Valley and Southern Plains irrigation projects. **\$3.7 B is in the budget for Agriculture!**

6. **MNS** - \$1.8 billion, of which \$1.7 billion is to continue construction of police divisional headquarters in Westmoreland and St Catherine North is in the budget for National Security!

I am sure that you will agree with me, after hearing those robust budget numbers for the various ministries, that for an economy that has being so battered by a drought, by a category 5 Hurricane Beryl, Tropical Storm Rafael and rains, especially during the months of November and December that were well above the 30-year average, that the word for this Jamaican economy and for the people of Jamaica is **RESILIENT!**



Source: MET Office

Legislation

MICRO INSURANCE LEGISLATION

Madam Speaker, we must continue to put in place everything that will bolster our resilience as a country and as a household.

During the new fiscal year, we will bring to Parliament legislation for micro insurance.

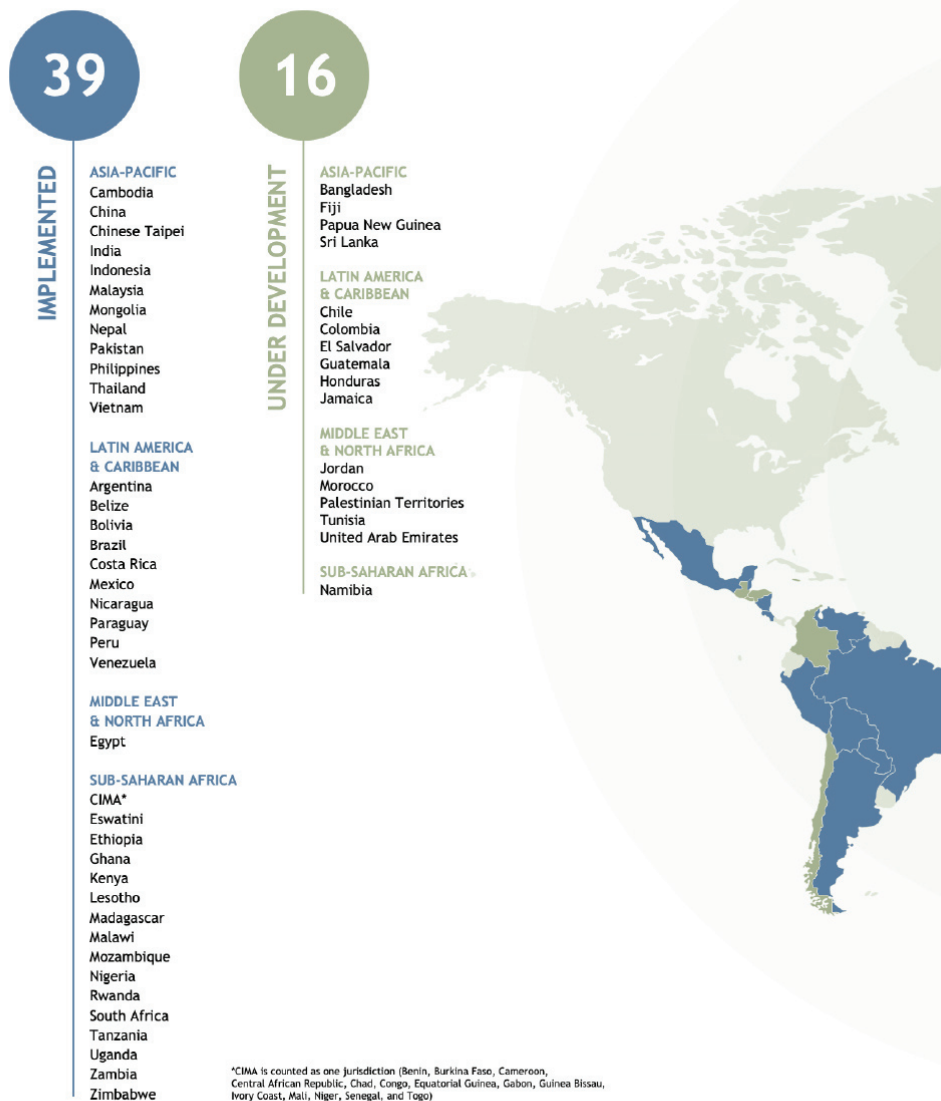
Madam Speaker, not every Jamaican can afford the premiums for traditional insurance sold here in Jamaica and so we have to meet the people where they are now. **Madam Speaker**, micro insurance legislation has been talked about but I give my commitment that micro-insurance legislation will be passed in this new fiscal

year. This Government believes that those who are low-income earners also need affordable insurance products to help them cope with and recover from financial losses.

Madam Speaker, micro-insurance is insurance that is accessed by those who are unable to access traditional insurance because they cannot afford the premiums.

A wide variety of microinsurance products can be created for them. We have already started down this road with crop insurance for our farmers. There are other micro-insurance products: theft insurance, fire insurance, health insurance, term life insurance, death insurance, disability insurance and insurance for natural disasters. This offers a growth opportunity for insurance providers who understand the needs of people with low income and can offer relevant and affordable insurance products to them. By helping to close the protection gap, they will also seize this untapped business opportunity.

FIGURE 7
WORLD MAP OF INCLUSIVE INSURANCE REGULATION IN 2023 FROM THE AZII¹⁷



¹⁷ An interactive and searchable version of the map can be found on the AZII website. While the AZII uses reasonable efforts to include accurate and up-to-date information in this map, it makes no warranties as to the completeness of content, errors, or omissions. In mapping the inclusive insurance developments worldwide, the AZII welcomes feedback.

Madam Speaker, micro-insurance legislation will be passed in the new fiscal year. This will significantly improve financial inclusion once the micro insurance legislation comes into effect and the industry players are geared up to offer it. This will take some time and so I am estimating that we will begin to see micro insurance products by Fiscal Year 2026/27. At that time, our commitment is to assess how we can help every PATH family (all 130,000 families) access micro-insurance to build financial resilience so that these vulnerable families can manage the financial impacts of unexpected events, such as an illness, a death, loss of income or natural hazards.

Madam Speaker, one player in the insurance industry who is looking forward to seeing the legislation come into being, estimates that it is possible to offer a micro-insurance policy with a premium of \$250 Jamaican per month (not \$2,500 but \$250) for a \$500,000 benefit. This is worth it, **Madam Speaker**, to assist the most vulnerable to build resilience.

Of note, the FSC has indicated that it would welcome the completion of the Micro Insurance Legislation, as it has been a work in progress. FSC said it would increase insurance penetration in Jamaica through the expansion of access to insurance coverage by the underserved and lower income groups to which micro insurance is targeted.

This is how we help families build resilience by creating affordable insurance products to assist them in times of need!

Madam Speaker, there are many other pieces of legislation that we must pass in this Parliament in this upcoming fiscal year.

Income Tax Relief (Large-Scale Projects and Pioneer Industries) Act, (2013)

Income Tax Relief (Large-Scale Projects and Pioneer Industries) Act, (2013) (the Act) will be repealed and replaced as a means of updating the legislation to ensure that it is fit for purpose. The work is significantly advanced for this.

The Act, which was enacted in December 2013, took effect on January 1, 2014 and coincided with the repeal of a number of legacy incentive legislation that granted sector-specific tax incentives. The Act signified a new paradigm in the treatment of fiscal incentives in which the preference was for a more fiscally responsible approach to tax expenditure and the use of targeted tax credits rather than blanket tax holidays.

The Act took effect on January 1, 2014, but there were no attendant regulations and so that Act that took effect on January 1, 2014 has been inoperative.

By Cabinet Decision No. 38/19 dated December 2, 2019, Cabinet granted approval for inter alia the issuance of drafting instructions to the Chief Parliamentary Counsel for amendments to be made to the Act and any other legislation/orders, as required, to facilitate delivery of the incentives and any consequential amendments necessary to the Regulations to the principal Act.

The approval was granted in the context of resolving fiscal incentives issues with the Harmony Cove Limited Development Project to fulfil certain commitments made by the Government of Jamaica with respect to that project.

You will recall, **Madam Speaker**, that Harmony Cove Limited Development Project is a joint venture which was entered into in September 2006 between the Government of Jamaica via Harmonisation Limited (a wholly owned government entity through the Development Bank of Jamaica and the National Housing Trust) and Tavistock Group, Inc. (a Bahamian corporation) for the development of a large-scale luxury resort project in Harmony Cove in the parish of Trelawny, after a bidding process failed to identify a suitable partner from over 60 bidders.

Harmony Cove Limited (“HCL”) was incorporated as the joint venture vehicle and is owned by Harmonisation Limited and Tavistock Jamaica Group.

Moreover, given the vast economic benefits that the Act is intended to achieve for Jamaica, it is imperative that the Act finally be operational so that the country can reap the rewards from the framework that it established to support large investments and economic development, in keeping with the strategic priorities of the Government. **This investment in Jamaica will be USD\$1B. We will bring this legislation to Parliament before the end of this Fiscal Year. This investment is too huge to wait another day!**

We are a Government of New Opportunities!

Phase II of Private Pensions

Madam Speaker, Phase II of the Private Pension Reform process (referred to as the adequacy phase) seeks to address issues, such as, the locking-in of members’ compulsory contributions, vesting of members in relation to benefits derived from the employer’s contributions, portability of pension benefits and allowance for a dependant disability pension. The amendments also allow unlocking of contributions in specific circumstances, such as, terminal illness and financial hardships. In addition, the FSC has recognised the need for a viable alternative to structured pension payments and will therefore introduce the concept of a Pension Pay-out Product to the industry. This would be an additional method of paying out pension benefits, a structured pension payment arrangement which guarantees for the life of the pensioner a series of fixed or variable payments. This would of course have to be approved by the FSC before it is marketed and it would be offered by approved investment managers with a securities dealer’s licence.

Madam Speaker, I know that Pension Phase II has been talked about and dreamt about for a very very long time. I can recall during my private sector days more than 15 years ago that I was part of several pension working groups. Pension Phase II is too important to let it continue to gather dust.

I will prioritise this legislation in this upcoming fiscal year.

Virtual Assets Service Provider Bill (VASP)

Madam Speaker, in order to continue the innovation in our financial sector, we will quickly pass the **Virtual Assets Service Provider Bill (VASP)** legislation, a critical piece of legislation, which is not just a regulatory necessity but an economic imperative for the future of Jamaica. This Bill represents a pivotal step in modernising our financial sector, ensuring our compliance with international financial regulations, and positioning Jamaica as a leader in fintech innovation within the Caribbean.

Madam Speaker, Jamaica must pass this Virtual Assets Service Provider Bill to ensure compliance with the Financial Action Task Force (FATF) Recommendations 15 and 16. Our financial system must meet global standards on anti-money laundering (AML), counter-terrorism financing (CFT), and the prevention of proliferation financing (PF). This legislation establishes a robust legal and regulatory framework for Virtual Asset Service Providers (VASPs) — ensuring that these businesses operate within strict licensing, supervision and enforcement guidelines.

The passage of this Virtual Assets Bill is a critical step toward aligning us with the global standard setters, including FATF, the Financial Stability Board (FSB), and the International Organisation of Securities Commissions (IOSCO). By implementing this legislation, we send a clear signal to our international partners that Jamaica continues its strong commitment to financial integrity, consumer protection and global best practices.

The Ministry of Finance, alongside our financial regulators, has been steadfast in ensuring that our policies support innovation while maintaining financial security and protecting Jamaican citizens from illicit financial activities. This Bill reinforces our commitment to building a secure, transparent, and forward-looking financial ecosystem that will benefit businesses, investors and everyday Jamaicans alike.

Bring Back Business Income and Business Activities

Speaker, beginning with this budget speech and I will announce shortly will be the start of our initiatives to encourage local taxpayers to bring home to Jamaica business income and business activities (including associated business assets and employment) as well as investment holdings, that have been established in or transferred to other tax jurisdictions. A Cabinet Submission detailing this will be in front of Cabinet shortly for its consideration.

Asset Taxes

Madam Speaker, in all our contemplations, we have to engage with the financial sector around the vexed issue of the asset tax which they were told by the other side would be temporary. Some ideas have come to me from the financial sector on how we could begin to scale this back.

I gave a commitment to review them and work with the sector on this issue.



Mission

To provide affordable financing to students pursuing tertiary education, thereby contributing to national development.



Students' Loan Bureau

The Students' Loan Bureau has gone through many changes making itself more efficient and more service-oriented. It is working to move itself to another level, a higher level, with a new and improved customer platform, which should have been launched in 2022/23 but is now targeted for the first quarter of the new Fiscal Year 2025/26.

This platform will allow students to view their loans, print statements and pay their loans online among other functions. The SLB reported that the biggest challenge that students have been complaining about is accessing the information about their loans. However, the SLB says that once their platform is launched, students will see significant improvement in efficiency.

PATH applicants

Madam Speaker, to give a data point, in the 2023/2024 academic year, the decision was taken by this government to no longer require PATH beneficiaries to have a guarantor and PATH beneficiaries would have 100% waiver for application fees. Since then, there has been an 85% increase in the number of PATH beneficiaries in 2024/25 versus the figures in 2023/2024 application year.

Applications	2024/2025	2023/2024	2022/2023
PATH	1,013	547	192
Beneficiaries			

Madam Speaker, I want to put on record this Government's commitment to improve the offerings from the SLB by the **beginning of the school year in September, 2026**.

A CAPRI study has given us excellent suggestions on how to modernise the student loan offerings. We are committed to doing the overhaul of the student loan system and will engage CAPRI as we start that process this upcoming fiscal year.

- We are committed to an increase in the loan amount that students would be able to access and for the disbursement to include not just tuition but also housing, books & supplies, the cost of a laptop and a stipend for meals.
- We are committed to a meaningful reduction in interest rates on the various loans.
- We are committed to longer loan payment periods.

As you can see, **Madam Speaker**, these would be significant changes to how the Students' Loan Bureau operates currently and so we have to work with the Student Loan Bureau to be able to launch these initiatives for the new school year starting **September 2026!** The Students' Loan Bureau is building bridges and transforming dreams!

While we wait for all those changes I just spoke to, for this upcoming **September 2025** new school year, this government though the Students' Loan Bureau will be offering to new students a longer payment period of 10 years, instead of the current 7 and 5 years on two of its products and the rates will remain the same, meaning the rates will not increase because the payment period has increased. We are starting with that one step, **Madam Speaker**, and will work rapidly to ensure the systems are in place to roll out the new student loan offerings to make the lives of our tertiary students more bearable and allow them to focus on attaining their educational goals to benefit themselves, their families and Jamaica as a whole.

The Students' Loan Bureau is building bridges and transforming dreams!

A first step – longer payment period on new student loans as of September 1, 2025.

This is **Good News #2**.

MSME

Madam Speaker, you may recall that earlier on I highlighted the \$2B that is in the upcoming budget for the DBJ for on-lending for many small businesses. In addition to that **Madam Speaker**, we are also raising the GCT exemption from \$10M to \$15M for MSMEs.

This is **Good News #3**.

Accelerated Capital Allowance

As we seek to accelerate the pace of economic growth in Jamaica, accelerated capital allowance is one strategy that this government will use to move growth to a higher level. In general, as businesses know, because they currently get capital allowance on specific capital expenditure like industrial buildings, plant and machinery and information technology equipment, it is a tax relief to the company because they would be allowed to deduct some portion of the cost from their taxable profits over time.

This deduction, the capital allowance deduction, **Madam Speaker**, reduces the company's overall tax liability, providing a financial incentive for business growth and investment.

We would like to see greater investments among our companies and so we are making special provisions for accelerated capital allowance on industrial and non-industrial commercial buildings, plant and machinery, which includes automatic data processing equipment.

At the end of the second year, the capital allowance would revert to what it is today. We encourage our businesses whether you are an MSME or a large company to take the opportunity to upgrade your machinery, your ITC infrastructure, your industrial building to help expand your output so that we can move the GDP growth rate to higher levels. We want to see your products all over the Caribbean and in other countries all over the world! Take advantage of this opportunity to retool for expansion. **Good News #4**.

The JSE's Micro Market

Madam Speaker, this Government believes in the stock market to create prosperity for the people of Jamaica. If you recall, **Madam Speaker**, the Honourable Edward Seaga inaugurated the Jamaica Stock Exchange (JSE) in 1969 as the Minister of Finance and Planning. The Jamaica Stock Exchange was one of many financial institutions that Former Prime Minister and Minister of Finance the Honourable Edward Seaga created to help Jamaica's capital market.

How Seaga established the JSE

Jamaica Stock Exchange inaugurated by Finance Minister Edward Seaga

Share this Story:



Published: Friday | January 26, 2024 | 7:49 AM



Minister of Finance and Planning Edward Seaga at the board of the Jamaica Stock Exchange on January 31, 1969, after he had declared it open and taken part in the first transaction. Looking on (from right) are three stockbroker-members of the exchange: Messrs Tony Lloyd, Haglas Golding, and Edward Gayle, and (from left) Sir Neville Ashenheim, Hart Richards, Earle Maynler, and Stanley Motta.

Madam Speaker, history recalls that he took part in the first transactions by purchasing shares through two brokers.

History also recalls that he wrote up the transactions on the board where the exchange's dealings were recorded. In those days we did not have the kind of technology we have today.

Mr. Seaga's goals for the Jamaica Stock Exchange were the following:

- To help companies in Jamaica by opening up the capital market

- To allow Jamaican investors to participate in these companies
- To enable private companies to go public

On February 1, 2008, this Government clearly continued its strong support for the stock market as a whole but more importantly for the establishment of a junior stock exchange.

To list on junior market, firms must be 'sponsored'

published: Friday | February 1, 2008

John Myers Jr, Business Reporter



Prime Minister Bruce Golding sees value in the regional stock market dubbed the Caribbean Exchange Network, but conceded that the regulations and legislative support may be holding up its launch.

The Jamaica Stock Exchange (JSE) says it has made sufficient headway on plans for a junior market specially tailored for small and medium-size companies to launch trading within 2008.

"We think we have reached a far way and we are hoping that with the collaboration of the Government we should see the Junior Venture Market before the year ends," Marlene Street-Forrest, general manager of the JSE told the **Financial Gleaner** on Wednesday.

"We will be utilising our existing trading platform so that is already done, but there will be some regulatory and legislative issues... for example tax holidays would have to be regulated by the Government, other issues as to how often they might file their returns," Street-Forrest explained.

The idea for a junior market has been in discussion for several years.

Essentially, it eases the requirements for small companies to more easily qualify for listing.

There are indications that the government would facilitate the new exchange, given Prime Minister Bruce Golding's suggestion at the JSE Capital Markets Conference in Montego Bay on Wednesday night that a junior exchange should be created as a means of encouraging those companies that do not make the grade for listing on the mature exchange to tap the equities market for capital.

The four-day conference ends today.

Street-Forrest said the JVM would be specifically tailored to SMEs, which would be listed under the guidance and supervision of a designated publicly-listed sponsor company.

I go further, **Madam Speaker**, it was this Government under the leadership of the Honourable Bruce Golding that facilitated the launch of the Junior Market on April 1, 2009.



Jamaica Stock Exchange

<https://www.jamstockex.com> › Investors ›

Markets

The Jamaica Stock Exchange launched the Junior Market on **April 1, 2009**, that is designed to encourage and promote investment in Jamaica's entrepreneurship, ...

Sadly, **Madam Speaker**, despite the clear success and the positive impact of the junior market, we witnessed the shock wave when the then Finance Minister announced in this Parliament on Oct 12, 2013 that his government would phase out the Jamaica Stock Exchange Junior Market benefits in eight years.

Gov't to phase out JSE Junior Market benefits in eight years

Share this Story:



Published: Wednesday | October 30, 2013 | 12:00 AM

BENEFITS UNDER the Junior Market of the Jamaica Stock Exchange (JSE) will come to an end by December 21, 2021, Finance Minister Dr Peter Phillips announced in the House of Representatives yesterday.

"We cannot sustain the services that we need and secure the revenues that we need on the basis only that anyone who is going to produce can only do so if they pay no taxes," Phillips said.

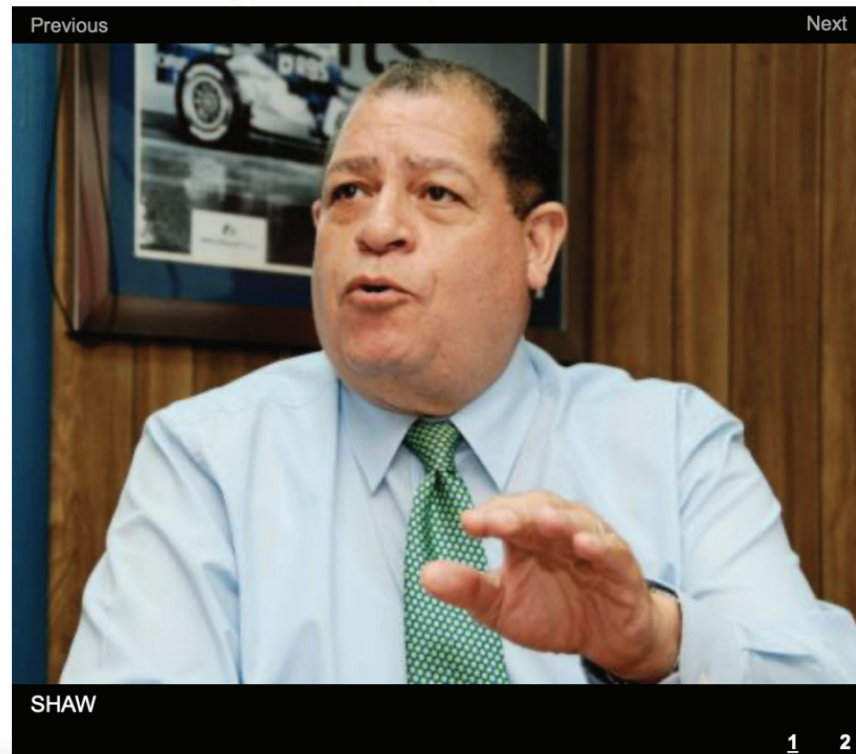
In Opposition in 2013, the Shadow Spokesman on Finance, MP Audley Shaw clearly stated the intention on October 2, 2013 NOT to shut down the JSE's Junior Market.

Phillips: We can't have our cake and eat it; Shaw against Junior Market shutdown

Share this Story:



Published: Wednesday | October 2, 2013 | 12:00 AM



Retention of Junior Stock Exchange Incentive

In his Budget Presentation, Minister Shaw referred to his earlier announcement in April 2016 of his intention to restore the income tax incentive to companies that list on the Junior Stock Exchange. It is intended to restore this incentive in the format it was originally granted with effect from 1 April 2016 and to pass the necessary legislative amendments to this effect.

The incentive as originally enacted granted the following income tax relief (subject to certain conditions) to companies which listed on the Junior Stock Exchange:

- (a) Full income tax relief on profits earned in the first five years of listing (years 1-5);
- (b) Relief of 50% of the income tax payable in the following five years (years 6-10).

In April 2016, as soon as the then Minister of Finance and the Public Service, Minister Audley Shaw, took his seat at the Ministry of Finance and the Public Service, he restored the incentives in the format it was originally granted with effect from April 1, 2016.

Today, the junior is thriving!

Over the last 5 years, the junior market companies have paid over \$1 billion of statutory deductions; \$1.6 billion of GCT and \$1.6 billion of PAYE and look, **Madam Speaker**, how much capital they have raised in the equity market, \$20.2 billion. **Madam Speaker**, I cringe to think that many of those companies would be non-existent if we on this side did not fight for the junior market to remain in place!

Statutory Payments	\$1.0 B
GCT	\$1.6 B
PAYE	\$1.6 B
Capital raised 2009-2024	\$20.2 B
Number of new employees	
2009-2024	40,511

On January 14, 2025, I brought the legislation to Parliament to expand the Junior Market benefits that former Minister Clarke had announced during his budget speech in March 2024. The amendment to the Income Tax Act increased the cap on voting share equity capital from \$500 million to \$750 million.



THE ESTABLISHMENT OF A JSE MICRO MARKET

Today, March 11, 2025, **Madam Speaker**, this government remains faithful to the stock market's development and is pleased to announce its acceptance of the JSE's proposal to establish a JSE Micro Market. I will move with haste to name the technical working committee which will include the Companies Office of JA, the legal fraternity, the Securities Dealers' Association, a member of the PSOJ and of course representatives from the JSE and MOFPS. We fully expect that a fully functioning micro market will put structure to more businesses in Jamaica for sustainability and growth and access to equity capital. We will begin these meetings of the Technical Working Committee as soon as we start the new fiscal year.

Dr. Marlene Street Forrest, Managing Director of the Stock Exchange, who is in the gallery, has indicated that the JSE has identified over 250 micro and small businesses in Jamaica that are in need of equity funding and are reasonably organised but are unable to go public in the near future because they are not yet at the level of accounting and reporting to meet the requirements of either the Main or the Junior markets for an Initial public offering (IPO) and many do not require the threshold of \$50 million in participating equity capital as established for Junior Market Companies, meaning the JSE Micro would be established to meet the needs of MSMEs in the \$10 million to less than \$50 million in participating equity capital. **Madam Speaker** and Dr. Street Forrest, it will be a joy to see the first of these 250 micro and small businesses listed on the JSE's Micro Market, not too long from now.

And, **Madam Speaker**, just in case anyone tries to say they were first with this idea of the the JSE's Micro Market, let me remind them that I spoke at the 2025 JSE conference in January ahead of the Opposition and publicly stated this Government's intention to work with the JSE to establish the Micro Market. I am moving now to formalise that process to take the Micro Market to a launch date.

This Government believes in the stock market as an enabler of wealth creation for our country.

The current junior market that was started under a prior JLP government, advocated for when they were Opposition, when the government of the day announced they would shut it down, now is broadening the market for more companies to list on the JSE, this time on the Micro Market. This is sheer joy, **Madam Speaker**. Sheer joy!

Good News #5.

Madam Speaker, this government has utilised the stock market to monetise government assets. We have IPO'ed Wigton Wind Farm, now Wigton Energy, when I was Minister of Science, Energy and Technology. Now, we are in the local stock market again with another offering, which is the Government's 20% share of TransJamaica, Highways (TJH). The offer opened on March 4, 2025 and will close on March 18, 2025.



Madam Speaker, I don't have a licence to sell securities and so this is not a sales pitch. This is to demonstrate to Jamaicans that we walk the talk when we say we believe in the stock markets in Jamaica.

TransJamaican Highway Limited (TJHL or TransJam) is the concessionaire of Highway 2000 East-West; Jamaica's first toll road. Its subsidiary, Jamaican Infrastructure Operator (JIO) is the Operator of the Road Network under an Operations & Maintenance Agreement. Its core business activity is the development, operation and maintenance of the tolled road network in Jamaica known as the "Highway 2000 East-West", a 50km tolled motorway with two distinct corridors:

1. T1 – 43.5km between Kingston and May Pen
2. T2 – 6.5km between Portmore and Kingston

TransJam serves an expansive customer base with an average of 70,000 vehicles daily and peaks of approximately 100,000 during the Christmas period. Their customers include all individuals and commercial entities that utilise the TransJam Highways toll road network. This encompasses private vehicle owners, commercial truck drivers and public transportation operators.

In January 2025, the Government of Jamaica announced its intention to divest its holdings in the TransJamaican Highway in an effort to broaden public ownership of critical assets.

NROCC, which is the entity with the 20% holdings, is seeking to raise up to \$6,302,520,000 through the offer of 1,750,700,000 Ordinary Shares at J\$3.60 or US\$0.0228 per share. NROCC has reserved the right to upsize the Offer by an additional 750,300,000 Ordinary Shares in the event of oversubscription.

This invitation opened at 9:00am on Tuesday, March 4, 2025, and is scheduled to close at 4:00pm on Tuesday, March 18, 2025. Only \$3,600 for 1,000 shares. Jamaicans, you know what to do!

This Government will continue to incubate and bring to market sound investments for the people of Jamaica to create their prosperity.

Reduced Tax on Dividends

In Jamaica, we have had a difference in the tax rate on dividends for resident companies and individuals, which is 15% and for non-resident companies and non-resident individuals it is 33 1/3% and 25%, respectively.

We are pleased to announce that £

I want to say to Jamaicans, when you hear non-resident companies and non-resident individuals, don't immediately think "foreign companies" or "foreign individuals". These may also be companies registered abroad that are owned by Jamaicans. There are also Jamaican individuals who live abroad in countries that have lower dividend rates that receive dividends from Jamaican companies. This benefit is one way to say to those Jamaicans who have companies abroad in jurisdictions with lower dividend tax rate than our 33 1/3% for non-resident companies and 25% for non-resident individuals, we are lowering the rate for you. Bring your capital back to Jamaica!

Madam Speaker, let me recap all the Good News so far.

Good News #1 – what's in the budget for our ministries for roads, police stations, irrigation, expansion of water infrastructure, housing, hospitals, retro-payments for government workers.

Good News #2 – an immediate benefit that our tertiary students will see in terms of longer payment period for loans for new students and our commitment for widening the service offering to allow the loans to pay for tuition + housing + books & supplies + a laptop + meals. Our commitment is to offer the longest possible payment period at the lowest interest rate to reduce the burden on tertiary students once they start working. I will draw on the work done by Dr. Damion King's CAPRI study as we seek to make the SLB more responsive to the needs of our students.

Good News #3 – \$2B to DBJ for lending to MSMEs

Good News #4 – Increase in the GCT threshold for MSMEs from \$10M to \$15M

Good News #5 – Accelerated capital allowance for any size business

Good News #6 – Launch of the JSE's Micro Market

Good News #7 – A dividend paying investment opportunity – TJH

Good News #8 – Reduced tax rate on dividends received by non-resident companies from 33 1/3% to the same as the local rate which is 15%.

Good News #9 – Reduced tax rate on dividends received by non-resident individuals from 25% to the same as the local rate which is 15% and individuals to the same rate as local Jamaicans.

Good News #10 – There is more good news!

The Electricity Sector

Madam Speaker, everyone knows Minister Vaz is in charge of the electricity players in the industry and that he answers to Jamaicans for anything that goes wrong in the sector. He not only answers to Jamaicans, he advocates for Jamaicans. Remember the aftermath of Beryl?

Energy Minister Daryl Vaz has been critical of the Jamaica Public Service (JPS) for its slow restoration efforts after Hurricane Beryl. The hurricane hit in early July 2024, causing widespread damage and power outages. [🔗](#)



Restoration delays

- Vaz has called for a report from the Office of Utilities Regulation (OUR) and the JPS. [🔗](#)
- He has urged the JPS to take compassionate measures for affected customers. [🔗](#)
- He has expressed frustration over the "unacceptable" pace of restoration. [🔗](#)
- He has criticized the JPS for missed deadlines. [🔗](#)

Damage to infrastructure [🔗](#)

- Vaz has said that the damage to the JPS's infrastructure was a "crisis".
- He has said that the damage included 94 transmission structures, 2,602 light poles, and more.

External assistance

- Vaz has announced that the JPS is seeking external assistance to expedite recovery. [🔗](#)
- He has said that the JPS has a US\$50-million insurance-type fund to repair and replace damaged infrastructure. [🔗](#)

Customer support [🔗](#)

- Vaz has said that the JPS will continue to facilitate flexible payment arrangements for customers who need extensions on their due dates.

This should tell you, **Madam Speaker**, that Minister Vaz and this entire Prime- Minister Holness-led administration wants an efficient electricity industry, one that is able to deliver the lowest electricity cost possible to the Jamaican people and businesses.

Madam Speaker, together with the Ministry of Science, Energy, Technology and Transportation and following on the announcement the Prime Minister made on November 24, 2024



at the National Arena (and we all remember what event that was) that this government will restructure the GCT on electricity to make electricity more affordable and give those who want legal access to electricity the opportunity to do so.

Today, **Madam Speaker**, we are pleased to announce that the commitment to reduce the GCT rate on electricity to 7% and eliminate the 150kwh threshold for post-paid residential customers is on track for implementation by JPS starting on May 1st, 2025. Additionally, for those post-paid residential customers who consume 250kwh or less, they will see a rebate of 7% and a 3% subsidy for a total of 10%. This is a caring government, **Madam Speaker**, and a government of solutions!

Prepaid Electricity

I am not done yet with Minister Vaz and his ministry, **Madam Speaker**.



Daryl Vaz in parliament (File photo)

The decades-old problem of electricity theft in Jamaica is costing the average household an additional \$1,050.00 per month and likely more.

Energy Minister Daryl Vaz made the revelation on Tuesday as he answered questions from the Opposition spokesman on energy, Phillip Paulwell, during the weekly sitting of the House of Representatives.

Specifically, Vaz was asked to reveal the amount and dollar value stolen from the distribution system of the Jamaica Public Service Company (JPS) each year.

Vaz disclosed that the electricity stolen amounts to a staggering \$40.385 billion or US\$258.9 million. The energy minister said the percentage of electricity stolen was about 15.9 per cent, which is about 80 per cent of the 19.5 per cent of non-technical losses the JPS incurred in 2023.

On January 28th 2025, in this very Parliament Minister Vaz revealed to the country that in 2023, “the electricity stolen amounts to a staggering \$40.385 billion. That works out to \$13,500 for every man, woman and child in Jamaica.

Interesting to note, **Madam Speaker**, that on the very next day, the Member of Parliament from East Kingston and Port Royal repeated the same figures.

The Full Story. The dollar value of electricity stolen from the Jamaica Public Service (JPS) distribution system in 2023 was approximately **\$40.385 billion or US\$258.9 million**. Parliament for Kingston East and Port Royal/Shadow Minister for Energy and Mining, Phillip Paulwell.

4 days ago



Jamaica Information Service

<https://jis.gov.jm> · 40-3-billion-worth-of-electricity-stol...

\$40.3 Billion Worth of Electricity Stolen from JPS in 2023

About featured snippets · Feedback

So, there is consensus that the bill for electricity taken from the grid without paying for it is staggering. I would go further. I believe that on both sides of the aisle, we both want a solution because all of us who pay for electricity have this added burden on our monthly bills.

We have all agreed over the years that this situation of electricity theft cannot be allowed to continue. The people of Jamaica need a solution!

AND more important,

Those who cannot afford post-paid electricity also need a solution!

So, **Madam Speaker**, together with the Minister of Energy, MP from West Portland, and following the commitment of the Most Honourable Prime Minister at a certain conference on November 24, 2024, we are pleased to announce the most ambitious programme to allow affordable access to pre-paid electricity.

We announce the Good News #11: This government has allocated \$1 billion to assist the first 20,000 first-time JPS pre-paid customers who sign up for pre-paid electricity.

This \$1 billion will go towards paying for house wiring and inspection in order to get those with illegal connections to get legally and safely connected to the JPS grid.

We know that the cost of house wiring and inspection can be prohibitive for many persons and so as a caring government we are absorbing that cost in order to begin to cauterise this massive electricity theft problem.

Pre-paid electricity will put legal electricity within reach of many. Because pre-paid electricity allows you to buy the amount of electricity that you can afford, when you can afford it, you have complete control. You will be able to buy the card or the vouchers from hundreds of outlets across Jamaica, just like how you buy phone card now, you may also be able to top-up online as well. The technology will make it easy. To incentivise the uptake of pre-paid electricity service, we have Good News #12, the first 20,000 **new** pre-paid customers will get \$4,000 credit for electricity per month for 6 months under the GOJ House Wiring and Inspection Programme that will be implemented by JSIF.

Madam Speaker, two thousand dollars (\$2,000) of that \$4,000 credit will come from the JPS and the other \$2,000 will come from this government. The JPS and JSIF will identify the vulnerable communities and provide the sign-up procedures.

To give a sense of the value of the \$4,000 credit, it is worth 50% of the average monthly bill of a typical pre-paid customer currently on the JPS system. The data from JPS is showing that the average monthly bill for prepaid customers is \$8,000 and that currently there are 17,000 customers who are using the pre-paid electricity meter.

I say to Jamaicans, this is an offer you cannot refuse: No cost to you for the House Wiring – **Good News #11.**

No cost to you for the Inspection – **Good News #12.**

\$4,000 credit towards your bill each month for 6 months – **Good News #13.**

No police running in on you to pull down throw-ups – **Good News #14.**

Buy electricity when you need it and in the amount you can afford: (\$1,000, \$500, \$100) depending on how your money runs! – **Good News #15.**

What a deal!!!

What a Government!!!

Madam Speaker, let me hasten to add that pre-paid electricity is not just for vulnerable communities or persons not legally connected now. Any individual customer can buy the pre-paid service and the GCT on pre-paid is also 7%. **Good News #16.**

We are a Caring Government!

We are a Government of Solutions! We are a Government of Action!

Tax Administration Jamaica

Madam Speaker, recently a concerned taxi operator, Mr. Dallas, told Prime Minister that it was a hassle to get in and out of the tax office quickly. I encouraged Mr. Dallas, who is in the gallery, to try our online system to pay for his motor vehicle fitness and then go to the motor vehicle depot. He can also, just like all Jamaicans, pay for a motor vehicle registration and then go to a special window.

He can also pay for property tax online as well.

While we strongly encourage the use of our online access, we recognise that it takes time to transition to the online world and so I have asked the Commissioner of Taxes to have a tax office opened in every parish on a Saturday to ease the congestion during the week and make it easier. We will announce those dates as those offices are opened on a Saturday in every parish across Jamaica.

We should make it as easy as possible for Jamaicans to pay your taxes. It does not make sense to me that Jamaicans would wake up early on a week-day morning, wait for a bus or taxi, journey many miles from their homes to get to a tax office and they get there and have to wait in line. We should be rolling out the red-carpet for our tax-payers who told us in a survey that they understand the implication if TAJ does not collect taxes.

Madam Speaker, **We are a Government that listens!**

We are a Government that cares!

Having a tax office open in every parish on a Saturday is Good News#17.

ATMs

Madam Speaker, another area that is a real pain point for many Jamaicans are the ATMs and their lack of availability at the very time you need them. I know many of us already pay for many transactions with our debit and credit cards and that there continues to be an effort by BOJ to get adoption of JAM-DEX, our digital currency. In the meantime, while all the efforts are on-going that would allow phone-to-phone transfer of digital cash, this Government will be partnering with the providers of ATMs to install additional ATM's in areas that are secure and convenient to you, especially in our rural areas.

This Government is listening!

We hear you and we come with solutions!

Bringing an ATM near you is Good News#18

CHASE Fund

Madam Speaker, the CHASE Fund, since its inception in 2003 has awarded 4,909 scholarships valued at \$829M to more than 2,000 early childhood education practitioners and leaders pursuing undergraduate and graduate degree programmes in early childhood education, special education, literacy and numeracy, curriculum development, educational leadership and educational administration at tertiary institutions locally and overseas.

Madam Speaker, we have listened to our practitioners who have shared the many challenges they face in securing guarantors that affect their take up of these scholarships and grants. This should not be the case for individuals who serve our country's youngest and who carry the responsibility of their holistic development. Moving forward, we have decided to remove the need for guarantors for recipients of Government scholarships and grants up to \$2 million (cumulatively).

Madam Speaker, we are a Government of solutions, rolling out the good news!

Finally, **Madam Speaker**, we come to **Good News #19** – The PAYE Threshold.

We are going to go there, **Madam Speaker!**

Madam Speaker, on seeking to be Government in 2016, we told Jamaicans that we would increase the PAYE threshold from where it was to \$1.5 million. I do not believe there was anyone who believed that could be done other than us. Many persons thought it was a campaign trick to win! But we know, we are a can-do Government, a Government of ideas and a government of solutions!

The Honourable Audley Shaw, Minister of Finance and the Public Service came to Parliament in 2016 to make the announcement to increase the threshold to \$1.5 million over 2 years, in the famous “PHASEEEEE IT IN”.

Madam Speaker, on May 12, 2016, a company that often does analysis of Government’s revenues, wrote that “The increase in the tax-free threshold to J\$1.5 million per annum will have particularly positive implications for PAYE workers on lower incomes.... The proposed policy (speaking of the increase in the threshold) has broader implications however, as the threshold increases will also significantly reduce the number of individuals who will contribute to the income tax (perhaps to less than **110,000** persons in total). At that time, in 2016, the writer said that 90% of Jamaica’s Employed Labour Force will not contribute even J\$1 to income tax to the Consolidated Fund. In contrast, the remaining 10% will be required to carry the entire income tax burden with yet a further burden being place on perhaps as few as **12,000** persons (due to increasing the rate to 30% on incomes above \$6M per annum.”

Madam Speaker, in 2023, we had 652,220 persons earning up to \$6M and paying PAYE.

Madam Speaker, it’s a funny thing. When you reduce taxes, you get more people employed. The result, more revenue to the Government to build more roads, provide water infrastructure, invest in the security forces, in education, health, broadband infrastructure and training of our people.

That equation has eluded some who want to run this country. They are talking about raising taxes!



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June 12, 2024



Senator Fitz-Henley Calls Crawford’s Tax to Boost Education a ‘Non-Starter’

Posted by Abigail Bartley | 27 Jun, 2024

Another one seeking power wants to increase tax on imported food items. No matter how much they run and try to distance themselves from raising taxes by making it seem they did not say so or by pretending it was a little joke (trix you), reducing taxes is NOT their history, **Madam Speaker**.

Deficit spending and “run wid it” is their history!

So, **Madam Speaker**, the **Good News#19** – this government will increase the threshold to \$2 MILLION. (Threshold 2.0). However, remember we are a responsible government and so we will increase the threshold in 3 tranches to \$1.8, then \$1.9, then \$2m over a 3-year period starting April 1, 2025. Doing it this way means, our hardworking taxpayers don’t have to guess and spell next year, or the next year or the next year if the threshold is going to increase.

We are a caring Government!

We are a responsible Government!

Deficit Spending

Madam Speaker, we could have run a deficit. For the first time in 10 years, based on our fiscal rules we are allowed to run a deficit equivalent to no more than 0.3% of GDP and that would still keep us on the path to 60% debt/GDP by FY2027/28.

Prime Minister and I discussed this and he said that would be a very bad signal to send to the world in an election year and I agreed.

Madam Speaker, there is no greater testimony to the high regards that this government has for the fiscal affairs of this country, and by extension the people of Jamaica, than for Jamaicans to know that this government has stared a budget deficit in the face that we legitimately could have run in an election year and said “No thank you!” We want to preserve the hard-won gains of the people of Jamaica and their children and grandchildren so they will not have to suck salt through wooden spoon again!

We, on this side, **Madam Speaker**, are not like them, the run wid it party, the party of more taxes!

Madam Speaker, we stared a budget deficit in the face that we legitimately could have run in an election year and said “No thank you!”

That, **Madam Speaker** is **Good News #20** for current and future generations.

So **Madam Speaker**, as I close my presentation for FY2025/26, we come to the people of Jamaica with a balanced budget and no new taxes!

Once the JLP is in power, your income tax will be going down.

Thank you, **Madam Speaker!**

God Bless Jamaica, Land we Love.

