

GOVERNMENT OF JAMAICA

FISCAL POLICY PAPER

FY 2021/22

(As Presented)

INTERIM REPORT

28th September 2021

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PART 1

FISCAL RESPONSIBILITY STATEMENT

INTRODUCTION

Despite the unprecedented challenges posed by the COVID-19 pandemic, the Jamaican economy registered significant economic growth in the first quarter of the new fiscal year. For the April-June quarter of FY2021/22, an estimated¹ real economic growth of 12.9 percent was recorded over the similar quarter for FY2020/21.

The macroeconomic fundamentals have improved since the tabling of the annual budget in February with real economic growth now expected to range between 7 percent and 10 percent. This augurs well for a strong recovery in FY2021/22.

The Central Government's Budget for this year was formulated around the achievement of the requisite fiscal and primary balances that are consistent with the resumption of a downward trajectory for the public debt and the achievement of a debt target of no more than 60 percent of GDP by end-FY2027/28. Within the resulting envelope of expenditure the Government's Budget continued to prioritise social and economic recovery from the COVID-19 pandemic with increased support for the health sector, inclusive of fiscal provision for vaccines, as well as infrastructure expenditure, resources for MSME's and social assistance for the poor and vulnerable.

Fiscal operations over the April-July 2021 period showed a strong over-performance relative to the budget, with actual tax-revenues exceeding budgeted tax revenues by \$17,107.0mn. This over-performance, alongside a revised revenue forecast (informed by higher growth projections) and the emergence of critical expenditure pressures (health), informed the development of the First Supplementary Budget.

This First Supplementary Budget proposal maintains the fiscal target of 0.3 percent of GDP required by the Financial Administration and Audit Act (the "FAA Act").

The FAA Act also requires that the Interim FPP include:

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

¹ PIOJ

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

Notwithstanding the difficult challenges posed by the COVID-19 pandemic, the GOJ remains committed to fiscal sustainability, economic reform, social protection and a return to resilient growth. The Government will continue to exercise fiscal prudence and to that end, seeks to ensure that all fiscal targets are met including the debt/GDP target of 60 percent or less by end-FY2027/28.

FISCAL & ECONOMIC UPDATE

Central Government's operations for **FY2020/21** were conducted during a difficult pandemic, evidenced by Revenue & Grants and Expenditure (above-the-line), both being below budget. Notwithstanding this, the critical fiscal performance targets were both satisfied, with the fiscal balance registering a lower outturn (*minus 3.1 percent*) and the primary balance registering a higher surplus (*plus 3.5 percent*) compared to a third supplementary budget target of (*minus 4 percent*) and (*plus 3.0 percent*), respectively. Capital expenditure's execution rate of 94.5 percent was a creditable one, although below the 99 percent execution rate of fiscal year 2019/20. Real GDP declined by 11.0 percent for the fiscal year (see Table 1a below). This decline was marginally better than the programmed 11.6 percent and is attributable to declines across all sectors of the economy, with the exception of Construction which recorded a growth rate of 2.9 percent. Inflation remained within the target range with a Fiscal Year to March 2021 inflation rate of 5.2 percent. Net International Reserves (NIR) remained strong, and the debt/GDP ratio as at end March stood at 109.7 percent of GDP.

Table 1A: Summary of Economic Performance

	Unit	FY 2019/20 (Actual)	FY 2020/21 (Actual)	FY 2021/22 (Projection)
Real GDP Growth Rates	%	-0.1	-11.0	9.0
Inflation (Annual Pt to Pt)	%	4.8	5.2	6.5
BOJ Policy Rate (e-o-p)	%	0.5	0.5	
Unemployment Rate (April Labour Force Survey)	%	7.8	-	9.0
Exchange Rate (weighted average selling rate)	J\$=US\$1	136.09	145.60	
Treasury Bill (6-month; end of period)	%	1.80	1.52	
Current Account	% of GDP	-1.4	-1.1	-2.2
Net International Reserves (NIR), (e-o-p)	US\$m	3,237.7	3,319.3	3,419.9
Gross Reserves (Goods & Services Imports)	Weeks	34.0	29.2	27.2
<u>Fiscal Accounts</u>				
Central Government Primary Balance	% GDP	7.1	3.5	6.2
Central Government Fiscal Balance	% GDP	0.9	-3.1	0.3
Public Bodies Overall Balance	% GDP	-0.1	0.0	0.0
Public Sector Balance	% GDP	0.8	-3.1	-0.3
Debt Stock	% GDP	94.8	109.7	96.9

Source: MOFP/BOJ

NOTABLE FISCAL DEVELOPMENTS

GOJ Launches Caribbean's First Catastrophe Bond

The Government of Jamaica (GOJ), in July 2021, became the first small island state in the world, and the first Caribbean government, to independently sponsor a catastrophe bond (*CAT bond*). The bond was issued under the World Bank's "capital at risk" notes program (CAR) which is used to transfer natural disaster and other risks from sponsoring countries to the capital markets. This bond will provide the (GOJ) with financial protection of up to US \$185 million against losses associated with named storms for three Atlantic tropical cyclone seasons ending in December 2023.

First Supplementary Estimates FY2021/22

The First Supplementary Estimates for FY2021/22, which is to be tabled in Parliament alongside the Interim Fiscal Policy Paper on September 28, 2021, contains proposals for an additional \$36.5bn in expenditure, financed by additional revenue resources of \$33.5bn, and loan and other inflows of \$3.0bn. Within the context of an improved macroeconomic framework, a recasting of the Revenue & Grants for the FY2021/22 Budget was done. The revised profile indicated a projected tax revenue increase of \$29.7bn or 1.3% of GDP. On the Recurrent side, additional expenditure of \$32.9bn is proposed, of which \$20.1bn is proposed for Programmes, \$7.4bn is for Compensation and \$5.5bn is for interest costs. The Capital budget is proposed to remain at the original budget level of \$54.2bn but with reallocations. Projected below-the-line payments (excluding amortization) are proposed at \$18.4bn, an increase of \$1.1bn. Total expenditure and payments are therefore proposed to be \$867.3bn.

Central Government Operations

The April-July period of FY2021/22 was a strong turn-around period for the operations of Central Government on both the revenue side (39.4 percent) and expenditure side (8.1 percent) when compared to the same period last fiscal year. This performance is encouraging and augurs well for the remainder of the fiscal year.

Provisional data indicate that Central Government operations to end-July 2021 generated a fiscal deficit of \$4.3bn, which is 85.1 percent better than the budgeted deficit. The Primary Balance outturn was \$26.4bn or 223.2 percent better than budgeted. This favourable fiscal performance was driven, largely, by a better than budgeted performance of Tax Revenues and lower Expenditure (net of amortization) compared with budget. Revenue & Grants were ahead of budget by 8.3 percent while Total Expenditure was lower than programmed by 3.1 percent.

Social and Economic Recovery with Vaccines for Jamaica (SERVE Jamaica) Programme

The SERVE Jamaica Programme is the GOJ's social and economic recovery programme that is designed to respond to the challenges posed by COVID-19 and to facilitate timely recovery from the COVID-19 pandemic and its effects. The GOJ proposes to increase the allocation to the SERVE Jamaica Programme from approximately \$60.0bn to approximately \$75.6bn in the First Supplementary

Estimates for FY2021/22. The increase of \$15.6bn comprises \$10.3bn of increased allocation to the health sector and \$5.3bn of increased allocation for targeted COVID-19 related social assistance.

In the FY2021/22 Approved Budget an allocation of approximately \$60.0bn was made to the SERVE Jamaica Programme consisting of \$31.0bn of infrastructure expenditure, \$10.5bn of health expenditure, inclusive of a \$6.0bn provision for vaccines, \$5.0bn in financial support for MSME's and an amount captured under contingencies in the Approved Budget for COVID-19 social assistance programmes.

An amount of \$3.0bn, captured under contingencies in the Approved Budget is being allocated to the COVID-19 Allocation of Resources for Employees (CARE) Programme, along with an amount of \$1.0bn for the COVID-19 Vaccine Incentive Programme, which is delivered thru the CARE portal, and amounts totalling \$1.481bn for CARE programme and related social initiatives delivered through various ministries. The GOJ also proposes to spend an additional \$5.3bn in targeted social intervention initiatives to cushion the impact of the pandemic on the most vulnerable members of the population.

The government's response to the continued health crisis facing the country from the COVID 19 pandemic requires increased provision of an additional allocation of \$10.3bn in direct support for the health sector. Of this amount, \$4.0bn is to cover compensation costs of health sector staff, required for the on-going intensified and expanded ministry of health activities and interventions, inclusive of incentives to the medical staff.

Fiscal Commission

A technical team at the MOFPS is developing an implementation plan for the establishment of the Fiscal Commission which is delayed, as the government had to shift its focus to managing the COVID-19 pandemic.

Disaster Risk Financing Policy

The Disaster Risk Financing (DRF) policy development process continues to benefit from World Bank technical assistance. A further draft of the policy is being prepared for submission to a Sub-Committee of Cabinet, by end-October 2021. The latest draft has incorporated risk mitigation strategies related to pandemics.

CONCLUSION

The outlook for the Jamaican economy remains positive, with economic growth projected between 4 percent and 6 percent in the second quarter and for the FY2021/22, to range between 7 percent and 10 percent. The COVID-19 pandemic challenges remain, with the emergence of new and more infectious variants which pose a greater risk to the unvaccinated population. Going forward, the pace of roll-out of the various vaccines will be critical as the country seeks to achieve herd immunity. The fiscal accounts remain on a sustainable path and it is projected that the requisite fiscal targets for end March

2022 will be met. The Balance of Payments position was significantly strengthened in August, with the addition of US\$520.6mn, in SDRs from the IMF, which has boosted our international reserves. Whilst tourism arrivals continue to increase, the pace of vaccination roll out in source markets will be critical. Jamaica took one more step in building resilience against natural disasters, by launching the first ever Catastrophe bond by a small island country and the first by a Caribbean government and this instrument will provide protection against tropical cyclone force wind damage up to US\$185mn.

As Jamaica rebuilds and recovers, it must pursue initiatives that modernize the economy, including embracing the build-out of a digital framework, which opens the door to financial inclusion and less informality in the way we do business.

The GOJ remains on track towards making Jamaica **the place of choice to live, work, raise families and do business.**

Nigel Clarke, D.Phil., MP
Minister of Finance and the Public Service
September 28, 2021

PART 2

MACROECONOMIC FRAMEWORK

Real Sector Developments

FY 2020/21 – Update

Throughout FY2020/21 the Jamaican economy was negatively impacted by the health and economic effects of the coronavirus pandemic. The economy registered a contraction of 11.0% when compared to the previous fiscal year. The impact was primarily evident in the Services Industries, which fell by 12.7%. The Goods Producing Industries declined by 3.4%.

All components within the Services Industries deteriorated, except Producers of Government Services which remained relatively unchanged. Hotels & Restaurants (down 65.6%) and Other Services (down 28.2%) sectors suffered major losses during the review period. The Hotel & Restaurants sector has been negatively impacted by the downturn in the global travel industry, resulting in fewer long & short-stay accommodation and limited restaurant and bar activities. The fall in Other Services reflected declines in entertainment, recreational, cultural & sporting activities, among others.

Within the Goods Producing industry, there was an expansion in the Construction industry of 2.9%. All other sectors declined during the period. The growth in the Construction Industry was primarily due to increases in building construction, specifically residential construction.

FY2021/22 First Quarter Estimated Performance

Real GDP is estimated to have increased during the first quarter of the current fiscal year, as the economy responded positively to the easing of measures implemented locally and internationally to manage the spread of the infectious COVID-19. An economic expansion of 12.9% has been estimated for the quarter, reflecting growth in both the Goods Producing and Services industries (Table 2A).

Except for Mining and Quarrying, all components within the Goods Producing industry are estimated to have expanded. Agriculture, Forestry & Fishing grew 10.3%, reflecting higher demand associated with increased activity in the Hotels & Restaurants sector and more favourable weather conditions during the quarter. Growth of 3.1% in the Manufacturing industry reflected increased output levels for products within the Food, Beverages and Tobacco category as well as higher production of chemicals and petroleum products. Increased residential and non-residential construction activities largely accounted for the 18.3% growth estimated for the Construction industry. Mining & Quarrying contracted by 12.3%, reflecting lower crude bauxite and alumina production due to weakened demand.

With the exception of Producers of Government Services which maintained its output, all components within the Services industry are estimated to have expanded. Leading the expansion was Hotels and Restaurants (up 330.7%) which was due to an increase in visitor arrivals and demand for restaurant services as restrictions on international travel and social gathering were relaxed.

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

INDUSTRY	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2020/21:Q1	FY 2021/22:Q1*
GOODS PRODUCING INDUSTRY	0.5	4.8	-1.6	-3.4	-12.9	7.8
Agriculture, Forestry & Fishing	-2.3	3.9	2.4	-3.9	-7.9	10.3
Mining & Quarrying	4.7	29.1	-22.5	-11.0	-25.2	-12.3
Manufacture	1.3	0.3	2.7	-6.2	-12.3	3.1
Construction	1.2	3.8	-2.4	2.9	-14.5	18.3
SERVICES INDUSTRY	1.1	1.2	0.6	-12.7	-18.9	14.0
Electricity & Water Supply	0.6	0.3	1.4	-8.0	-8.7	4.0
Transport, Storage & Communication	1.1	1.4	-0.2	-13.6	-20.8	16.5
Wholesale & Retail Trade; Repair & Installation of Machinery	0.7	1.3	0.4	-9.4	-15.6	13.2
Finance & Insurance Services	1.5	1.7	2.7	-3.8	-5.5	2.5
Real Estate, Renting & Business Activities	0.8	0.8	0.6	-2.9	-5.5	2.5
Producers of Government Services	0.1	-0.1	0.4	0.1	0.2	0.0
Hotels and Restaurants	4.2	3.1	-1.1	-65.6	-85.6	330.7
Other Services	1.5	1.3	0.4	-28.2	-44.3	50.0
Less Financial Intermediation Services Indirectly Measured (FISIM)	1.6	4.6	3.5	3.8	3.9	3.4
REAL GDP GROWTH	0.9	1.9	-0.1	-11.0	-18.4	12.9

Source: STATIN, PIOJ

** PIOJ Estimates*

FY2021/22 Second Quarter and Fiscal Year Outlook

Further economic expansion is expected for the July to September 2021 quarter, with real GDP projected to increase within the range of 4.0% to 6.0%. The macroeconomic outlook for the fiscal year has improved; from the forecast of 5.2% growth reported in the February 2021 Fiscal Policy Paper, to a current projected expansion of 9.0% for FY2021/22. The positive outlook is predicated on expected improvement in employment levels, increased external demand arising from the gradual recovery of the global economy, and continued recovery in most local industries. Downside risks to the projection include the possibility of further tightening of COVID-19 containment measures and adverse weather conditions.

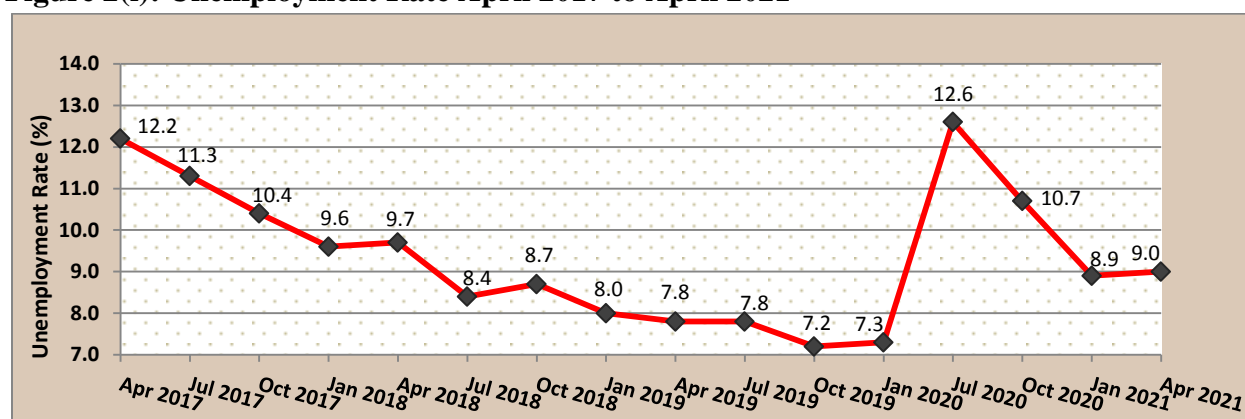
Labour Market Developments

Due to the onset of the COVID-19 pandemic, the April 2020 Labour Force Survey was not undertaken by the Statistical Institute of Jamaica (STATIN). Consequently, the results of the April 2021 Labour Force Survey will be compared to those of April 2019. The April 2021 Labour Force Survey, conducted by STATIN reported a deterioration in the labour market relative to April 2019, with an unemployment rate of 9.0% (Figure 2(i)). Employment fell 1.2 percentage points in comparison to April 2019. This reflected a decrease in the employed labour force by 38,500 persons, comprising

29,600 males and 8,900 females. The youth unemployment rate increased 4.6 percentage points to 24.0%. The number of persons recorded as being outside the labour force increased by 39,900 (5.4%) from 738,100 to 778,000 for the review period.

The industry groups with the largest declines were Arts, Entertainment, Recreation and Other Services (down 22,100 persons), Accommodation and Food Service Activities (down 20,500 persons) and Transport and Storage (down 12,900). The decline in employment in these sectors was partially offset by the increase in Real Estate and Other Business Services (up 17,300 persons), the only industry that recorded employment growth for the review period.

Figure 2(i): Unemployment Rate April 2017 to April 2021



Source: STATIN

Monetary Developments - First Quarter FY 2021/22

The Bank of Jamaica (Amendment) Act, 2020 became effective in April 2021, entrenching price stability as the Bank's primary objective while strengthening its governance, accountability and financial arrangements. The Bank of Jamaica (BOJ) now has operational independence to implement monetary policy toward attainment of the inflation target, but will be fully accountable to Parliament. Monetary policy decisions are now determined by a five-member Monetary Policy Committee (MPC).

The MPC maintained the Central Bank's accommodative monetary stance during the quarter, deciding to retain the 0.5% policy rate. The decision was based on the Committee's assessment that inflation would continue to trend within the Bank's inflation target of 4% to 6%².

In response to the expected economic fallout from the COVID-19 outbreak, the BOJ undertook several initiatives to mitigate its impact. These include a reduction of both the local and foreign currency cash reserve requirement; the removal of the limits on amounts that DTIs can borrow overnight without

² At its meeting on August 18, 2021, the MPC alluded to the inflationary impact of recent increases in international commodity prices, noting that inflation in Jamaica would breach the upper limit of the Bank's target range. The 6.1% annual inflation at August 2021 marginally breached the upper limit of the inflation target band. The next meeting of the MPC is scheduled for September 2021, at which a policy action will be determined.

penalty; longer-term lending facility to DTIs for periods of up to six months and the reactivation of the Emergency Liquidity Facility. Within this context, liquidity conditions within the financial market remained buoyant during the first quarter of the fiscal year. Financial institutions held higher than anticipated current account balances for the period. Net liquidity injection from BOJ operations into the financial system during the quarter was partially offset by net absorption from GOJ operations.

Growth in credit to the private sector decreased during the first quarter of FY2021/22, with loans and advances expanding by 8.4% relative to 13.3% for the similar period of FY2020/21. It is expected that growth in private sector credit will remain moderate due to weakened demand.

Inflation

The All Jamaica “All Divisions’ Consumer Price Index increased to 112.3 in August 2021 from 105.9 in August 2020. This represents a 6.1% annual inflation rate, marginally breaching the upper band of the 4.0% to 6.0% inflation target range. The main contributors were Food and Non-Alcoholic Beverages (up 7.0%), Education (up 24.6%) and Restaurants and Accommodation Services (up 13.8%). The Food and Non-Alcoholic Beverages division was largely influenced by the ‘Food’ sub-division, particularly the meat and other parts of slaughtered land animals (12.3%) and cereals and cereal products (10.8%) classes. The respective index for all the other divisions also increased, with the exception of Information and Communication which declined by 1.0%. Inflation for the calendar year to end-August was 4.7% and 4.3% for the fiscal year to August 2021.

Exchange Rate

The weighted average selling rate of the US dollar at end-August 2021 was \$152.09, a depreciation of 1.9% when compared to the \$149.29 recorded at end-August 2020. The pace of depreciation was lower than the 8.4% recorded for the previous twelve months (end-August 2020 compared with end-August 2019). This is as a result of an improvement in foreign exchange inflows associated with the receipt of US\$520.6mn from the IMF in August, as well as growth in remittances and the tourism industry.

External Sector Update - FY2020/21

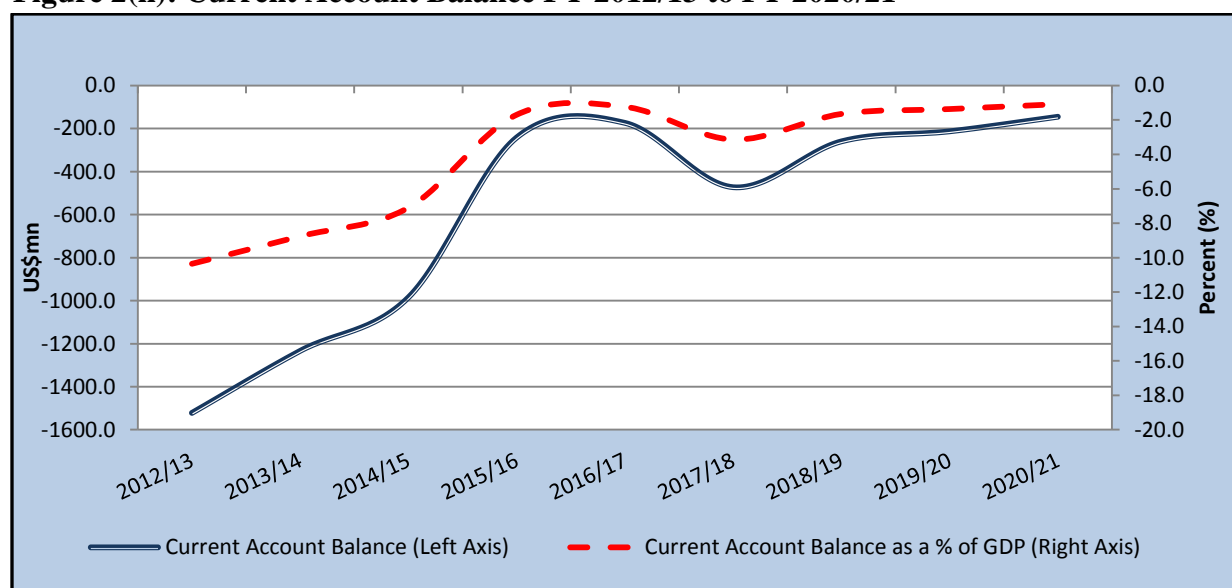
The Current Account Balance for FY2020/21 improved by US\$144.9mn when compared to the similar period of FY2019/20. As a percentage of GDP, the Current Account Deficit improved to 1.1% from 1.4% (Figure 2(ii)). The improvement emanated from the Primary and Secondary income accounts, as the Goods & Services account declined. While the Goods sub-account improved, there was a greater deterioration in Services during the review period. Declines were registered in all sub-categories (Travel, Accommodation and Other Services) within the Services sub-account.

The Capital Account balance for FY2020/21 was US\$0.8 million lower than the amount recorded for FY 2019/20. Consequently, the net borrowing position (balance from the current and capital accounts) improved by US\$109.4mn to a total of US\$174.8mn (Table 2B).

At the end of FY2020/21, the stock of Net International Reserves (NIR) stood at US\$3,319.33mn, reflecting an improvement of US\$81.66mn compared to the previous year. The Estimated Gross Official Reserves in weeks of Goods & Services Imports also improved from 23.22 weeks to 38.71 weeks of Goods & Services Imports.

Since the end of FY2020/21, the stock of Net International Reserves has grown. At end-August 2021, the NIR stood at US\$3,888.7mn, reflecting an improvement of US\$569.4mn. The Estimated Gross Official Reserves improved, strengthened mainly by the International Monetary Fund's (IMF) Special Drawing Rights (SDR) allocation of US\$520.0 million.

Figure 2(ii): Current Account Balance FY 2012/13 to FY 2020/21



Source: BOJ

Table 2B: Balance of Payments for FY 2020/21

Balance of Payments (US\$MN)	FY 2019/20	FY 2020/21	Change
Current Account Balance	-255.1	-144.9	110.2
<i>Credits</i>	8,854.3	6,486.6	-2,367.7
<i>Debits</i>	9,109.5	6,631.5	-2,478.0
Goods & Services	-2,206.0	-2,932.9	-726.9
<i>Exports</i>	5,785.4	2,703.9	-3,081.5
<i>Imports</i>	7,991.4	5,636.8	-2,354.6
Goods	-3,908.4	-2,865.4	1,043.0
<i>Exports</i>	1,514.7	1,218.4	-296.3
<i>Imports</i>	5,423.1	4,083.8	-1,339.3
Services	1,702.4	-67.5	-1,769.9
<i>Credits</i>	4,270.6	1,485.5	-2,785.1
<i>Debits</i>	2,568.3	1,553.0	-1,015.3
Primary Income	-472.4	-412.3	60.2
<i>Credits</i>	379.2	351.5	-27.7
<i>Debits</i>	851.7	763.8	-87.9
Secondary Income	2,423.3	3,200.2	776.9
<i>Credits</i>	2,689.7	3,431.2	741.5
<i>Debits</i>	266.4	230.9	-35.5
Capital Account	-29.1	-29.9	-0.8
<i>Credits</i>	19.8	19.2	-0.6
<i>Debits</i>	48.9	49.1	0.2
Net lending (+) / net borrowing (-) (balance from current and capital account)	-284.2	-174.8	109.4
Financial Account			
Net lending (+) / net borrowing (-) (balance from financial account)	-200.9	-388.8	-187.9
Direct Investment	-122.8	-175.7	-52.9
<i>Net acquisition of financial assets</i>	448.0	37.5	-410.5
<i>Net incurrence of liabilities</i>	570.8	213.2	-357.6
Portfolio Investments	-543.7	-162.8	381.0
<i>Net acquisition of financial assets</i>	-425.7	243.2	668.9
<i>Net incurrence of liabilities</i>	118.0	405.9	287.9
Financial derivatives	-96.8	7.3	104.0
<i>Net acquisition of financial assets</i>	-68.9	51.0	120.0
<i>Net incurrence of liabilities</i>	27.8	43.8	16.0
Other Investments	479.1	-611.8	-1,090.9
<i>Net acquisition of financial assets</i>	253.2	-50.0	-303.2
<i>Net incurrence of liabilities</i>	-225.9	561.8	787.7
Reserve Assets	83.3	554.2	
Net Errors and Omissions	83.3	-214.0	

Source: BOJ

Macroeconomic Outlook - FY2021/22 and the Medium Term (to FY2024/25)

The macroeconomic outlook for FY2021/22 has significantly improved and the medium term forecast has been revised compared to the profile presented in the FY2021/22 Fiscal Policy Paper in February 2021. The relaxation of stringent measures to manage the spread of the COVID-19 disease provided the opportunity for an improved economic performance over the first quarter of the fiscal year, relative to previous forecasts. Despite the ongoing COVID-19 challenges, the positive economic performance is expected to continue for the remainder of the fiscal year and through the medium term. It is within this context that the projections for the key macroeconomic variables outlined in Table 2C were formulated.

Real GDP is currently projected to grow by 9.0% for FY2021/22, compared to the growth forecast of 5.2% presented in the annual Fiscal Policy Paper in February 2021. The upward revision is predicated on expected improvement in employment levels, increased external demand arising from the gradual recovery of the global economy and continued recovery in most local industries. Inflation is expected to be more elevated than previously projected primarily on account of higher imported inflation, due to increases in international commodity prices. The current account balance is expected to improve, while adequate Net International Reserves will provide Balance of Payments support.

In the medium term, real GDP growth is expected to average in the range of 2.0% to 3.0% as the economy continues its gradual recovery from the impact of the COVID-19 pandemic. Inflation is expected to stabilize within the target range of 4.0% to 6.0%. In the external sector, the current account deficit (as a percentage of GDP) is projected to average approximately 1.2% over the three years following FY2021/22.

Table 2C: Medium Term Macroeconomic Profile

Macroeconomic Variables	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Proj.	2022/23 Proj.	2023/24 Proj.	2024/25 Proj.
Nominal GDP (J\$bn)	2,053.3	2,121.1	1,948.6	2,227.0	2,423.7	2,616.0	2,795.3
Nominal GDP growth rate(%)	6.5	3.3	-8.1	14.3	8.8	7.9	6.9
Real GDP growth rate (%)	1.9	-0.1	-11.0	9.0	3.1	2.8	1.7
Inflation: Annual Pt to Pt (%)	3.4	4.8	5.2	6.5	5.0	5.0	5.0
Interest Rates:							
180-day Treasury Bill (end-period)	2.2	1.8	1.5				
90-day Treasury Bill (end-period)	2.2	1.8	1.2				
Average Selling Exchange Rate (J\$=US\$1)	130.6	136.1					
NIR (US\$m)	3,084.8	3,237.7	3,319.3	3,419.9	3,318.6	3,091.9	3,611.5
Current Account (% GDP)	-1.6	-1.4	-1.1	-2.2	-1.7	-1.0	-0.9
Oil Prices (WTI) (Average US\$/barrell)	62.8	54.8	42.3	69.0	61.5	59.4	59.8

Source: STATIN/BOJ/PIOJ

PART 3

FISCAL MANAGEMENT STRATEGY

Background

Jamaica's fiscal performance during FY2021/22 has been boosted by the ongoing recovery from the economic shock precipitated by the COVID-19 pandemic. Fiscal operations to end-July 2021, when measured by the fiscal and primary balances, represented better than programmed outturns and significant improvements on the corresponding period of the prior fiscal year. Macroeconomic progress is evident, with double-digit expansion in real GDP estimated for the first quarter of the fiscal year. Improvements have been recorded in the labour market, and international trade is expanding. These augur well for continued positive fiscal developments. However, the unpredictability with respect to the cycle of the coronavirus disease for Jamaica and the emergence of more infectious variants of the disease represent a threat to fiscal and economic progress. In light of this, the Government of Jamaica intends to maintain its prudent management of the pandemic, while recognising the potentially severe economic impact, of measures implemented to limit the spread of the disease, on the most vulnerable in the society.

The GOJ acted decisively, through the COVID-19 Allocation of Resources for Employees (CARE) Programme, in providing support for individuals and businesses that were adversely affected by the pandemic. Prioritizing spending in critical areas such as social protection, health, and capital investments is essential, underpinned by efficiency and transparency. Accordingly, provisions have been made in the supplementary estimates of expenditure to provide intervention support to the vulnerable; and additional allocation to the Ministry of Health and Wellness, while maintaining the level of planned capital expenditure.

The fiscal programme for FY2021/22 and the medium term is designed to achieve the targets entrenched in the fiscal rule legislation, demonstrating the GOJ's firm commitment to attaining fiscal and economic sustainability in the interest of all Jamaicans.

This Fiscal Management Strategy, which provides an avenue for monitoring and evaluating the performance of the budget, includes the following:

- An assessment of FY2020/21 performance;
- A summary of the FY2021/22 Budget;
- A review of the Central Government's Performance: April - July 2021; and
- A revised Medium Term Outlook.

Central Government Performance: FY2020/21 Outturn

Subsequent to the tabling of the Third Supplementary Estimates in January 2021, the overall fiscal performance for FY2020/21 improved relative to the estimates provided in the February 2021 Fiscal Policy Paper. However, relative to the original FY 2020/21 budget, the economic impact of the COVID-19 pandemic resulted in considerable negative variances (see Table 3A).

Table 3A: FY2020/21 Performance (\$mn)

	Approved Budget	Third Supplementary Estimates	Actual	Diff between Approved Budget and Actual	Diff between Third Supplementary Estimates and Actual
Revenue & Grants	660,907.1	576,491.7	575,401.1	-12.9%	-0.2%
Tax Revenue	588,807.2	508,887.7	505,686.7	-14.1%	-0.6%
Non-Tax Revenue	67,290.9	62,395.2	62,182.6	-7.6%	-0.3%
Bauxite Levy	135.7	145.3	0.0	-100.0%	-100.0%
Capital Revenue	336.0	48.0	352.1	4.8%	633.5%
Grants	4,337.3	5,015.5	7,179.7	65.5%	43.2%
Expenditure	661,017.7	654,512.8	635,911.3	-3.8%	-2.8%
Recurrent Non-Debt	454,160.2	466,233.4	457,689.3	0.8%	-1.8%
Interest	132,654.2	136,253.0	129,037.9	-2.7%	-5.3%
Capital	74,203.3	52,026.4	49,184.1	-33.7%	-5.5%
Fiscal Balance	-110.6	-78,021.1	-60,510.2	-54610.8%	22.4%
Debt Service	287,843.9	294,808.6	288,123.4	0.1%	-2.3%
Interest	132,654.2	136,253.0	129,037.9	-2.7%	-5.3%
Principal	155,189.7	158,555.6	159,085.5	2.5%	0.3%
Overall Balance	-16,765.2	-52,065.5	-31,299.3	-86.7%	39.9%
Primary Balance	132,543.6	58,231.9	68,527.7	-48.3%	17.7%

Source: MoFPS

Revenue & Grants

Actual collections for Revenue & Grants for FY2020/21 totalled \$575,401.1mn, which was \$1,090.6mn (or 0.2%) less than the revised budget³. Of this total, Tax Revenue amounted to \$505,686.7mn, performing \$3,201.0mn (or 0.6%) below the revised projection. The under-performance can primarily be attributed to lower than budgeted inflows (amounting to \$172,675.9mn) from Production & Consumption, which fell short of target by \$11,290.8mn or 6.1%. GCT (Local), Special Consumption Tax (SCT) (Local) and Education Tax mainly accounted for the below target outturn (see Table 3B). Buoyant collections from Income & Profit which totalled \$161,429.4mn

³ The Revised Budget refers to the Third Supplementary Estimates approved in January 2021.

(exceeding the revised target by \$7,808.5mn or 5.1%) partially offset the shortfall from Production & Consumption. The performance of Income & Profit taxes was primarily due to Other Companies (Corporate Tax), Pay-As-You-Earn (PAYE) and Tax on Interest. Receipts of \$171,581.3mn from International Trade were marginally above the revised budget, stymied by below budget inflows from SCT (Imports).

Inflows from Other Companies increased, mainly due to larger than anticipated payments for Asset Tax, as some companies reported an improvement in the value of their fixed and current assets. The performance of PAYE reflected a lessening of the impact of the COVID-19 pandemic on employment levels. Travel tax also improved, reflecting an increase in the number of airport arrivals following the easing of travel restrictions which were among the measures imposed to manage the spread of COVID-19 in FY2020/21.

Table 3B: FY2020/21 Notable Tax Performances (\$mn)

	Approved Budget	Third Suppl. Estimates	Actual	Diff between Approved Budget and Actual (J\$mn)	Diff between Approved Budget and Actual (%)	Diff between Third Supplementary Estimates and Actual (J\$mn)	Diff between Third Supplementary Estimates and Actual (%)
Other Companies	71,180.40	61,959.90	66,049.20	-5,131.20	-7.2%	4,089.3	6.6%
Tax on Interest	19,140.90	17,221.70	19,458.30	317.40	1.7%	2,236.6	13.0%
PAYE	68,380.50	66,790.80	67,956.80	-423.70	-0.6%	1,166.0	1.7%
Travel Tax	22,511.80	4,693.00	5,379.80	-17,132.00	-76.1%	686.8	14.6%
GCT (Local)	108,034.50	98,821.40	91,191.60	-16,842.90	-15.6%	-7,629.8	-7.7%
SCT (Local)	30,813.30	29,312.30	26,726.70	-4,086.60	-13.3%	-2,585.6	-8.8%
Education Tax	34,449.10	31,446.40	29,825.90	-4,623.20	-13.4%	-1,620.5	-5.2%
SCT (Imports)	52,990.70	46,269.60	44,678.00	-8,312.70	-15.7%	-1,591.6	-3.4%

Source: MoFPS

GCT (Local) recorded the highest nominal shortfall. The \$7,629.8mn under-performance was attributable to the impact of tighter COVID-19 containment measures, which impacted the demand for goods and services during the last quarter of the fiscal year. As a result of lower trade volume, specifically for cigarettes, bunker fuel oil, motor spirits and automotive diesel oil, and lower production

levels at Petrojam, both SCT (local) and SCT (imports) under-performed relative to the revised budget. Education tax was negatively impacted by the COVID-19 induced disruption in employment, particularly among persons earning below the income tax threshold.

Inflows from Non-Tax Revenue amounted to \$62,182.6mn, which was marginally below budget by \$212.6mn. Capital Revenue of \$352.1mn was \$304.1mn higher than projection, while Grant receipts of \$7,179.7mn were higher than budget by \$2,164.2mn or 43.2% due to higher than projected inflows from the European Union.

Expenditure

Central Government Expenditure (net of below-the-line payments) was \$18,601.6mn (or 2.8%) less than programmed and reflected a year-over-year aggregate increase of 1.0%. The shortfall in Recurrent Non-Debt expenditure by 1.8% was the primary contributor to this outturn. Interest and capital expenditure also fell short of budget, by 5.3% and 5.5%, respectively.

Recurrent non-debt expenditure for FY2020/21 was \$3,529.0mn (or 0.8%) more than the original budget, but \$8,544.2mn lower than the revised estimates. Interest expenditures were lower than the revised budget by 5.3% and lower than the original budget by 2.7%, respectively. The lower than planned capital spending reflected slower than programmed pace of project execution.

FY2021/22 Original Budget

The Central Government Budget for FY2021/22 was developed around the achievement of a targeted fiscal balance, based on the fiscal rules legislation, which restores the downward trajectory to attain Public Debt of no more than 60.0% of GDP by the end of FY2027/28. Public health and social protection remained significant policy priorities, within the context of the continued health and economic impact of the COVID-19 pandemic. The Budget, formulated in consideration of these imperatives reflected a programmed fiscal surplus of \$5,420.4mn and primary surplus of \$131,407.1mn.

Revenue & Grants

The target for total Revenue & Grants for FY2021/22 was \$672,668.3mn, 16.9% above the actual receipts for FY2020/21 (see Table 3C). The increase reflected projected improvements in both Tax and Non-Tax Revenue. Tax Revenue was programmed to increase to \$572,461.2mn, a variance of \$66,774.6mn (or 13.2%) over the collections for FY2020/21. The projection for Tax Revenue was underpinned by the improved macroeconomic forecasts relative to the estimated outturns for the previous fiscal year.

Non-Tax Revenue of \$94,185.3mn was projected for FY2021/22, \$32,002.7mn (or 51.5%) higher than the outturn for FY2020/21, reflecting the programmed distribution of an estimated dividend of \$33.2bn

from the Bank of Jamaica. The projected Capital Revenue of \$96.4mn and Grants of \$5,776.8mn were lower than the actual receipts for FY2020/21 by \$255.7mn and \$1,402.9, respectively.

Table 3C: FY2021/22 Revenue & Expenditure Budget⁴ vs FY2020/21 Actual (\$mn)

	2020/21 Actual	2021/22 Approved Budget	Diff between 2021/22 Approved Budget and 2020/21 Actual (J\$mn)	Diff between 2021/22 Approved Budget and 2020/21 Actual (%)
Revenue & Grants	575,401.1	672,668.3	97,267.2	16.9%
Tax Revenue	505,686.7	572,461.2	66,774.5	13.2%
Non-Tax Revenue	62,182.6	94,185.2	32,002.6	51.5%
Bauxite Levy	0.0	148.7	148.7	-
Capital Revenue	352.1	96.4	-255.7	-72.6%
Grants	7,179.7	5,776.8	-1,402.9	-19.5%
Expenditure	635,911.3	667,247.9	31,336.6	4.9%
Recurrent Non-Debt	457,689.3	487,059.9	29,370.6	6.4%
Recurrent Interest	129,037.9	125,986.7	-3,051.2	-2.4%
Capital Expenditure	49,184.1	54,201.3	5,017.2	10.2%

Source: MoFPS

Expenditure

Total Expenditure (net of below-the-line payments) of \$667,247.9mn was programmed for FY2021/22, representing an increase of 4.9% compared to the spending for FY2020/21. This comprised Recurrent Programmes spending of \$247,821.2mn (up 5.6%) and Compensation of Employees of \$239,238.7mn (up 7.3%), alongside Interest payments of \$125,986.7mn (down 2.4%). The projection for Recurrent Programmes spending included allocations to the Ministry of Health and Wellness to acquire pharmaceuticals and medical supplies to be used in the fight against COVID-19. Provisions were made in the allocation for Compensation of Employees for an increase in public sector wages for FY2021/22. Capital expenditure totalling \$54,201.3mn was planned, reflecting a 10.2% increase over last years' spend, and includes provisions for the continued execution of the Southern Coastal Highway Improvement Project.

⁴ The FY2021/22 projections reflect those presented in the Fiscal Policy Paper FY2021/22.

Central Government Performance: April-July 2021

Central Government operations through July 2021 over-performed relative to budget, despite the ongoing COVID-19 pandemic. The fiscal accounts reflected a lower fiscal deficit and a higher primary balance than programmed, resulting from higher than targeted Revenue & Grants and lower than planned Expenditure.

Revenue & Grants Outturn

Revenue & Grants for April to July 2021 totalled \$225,531.4mn, exceeding budget by \$17,260.8mn or 8.3%. Tax Revenue was the main contributor to the over-performance. Capital Revenue and Grants also contributed to the surplus. Non-Tax Revenue fell short of projection while there were no collections from Bauxite Levy. Compared to the corresponding quarter of FY2020/21, Revenue & Grants performed better by \$63,786.3mn or 39.4%.

Tax collections for the review period amounted to \$176,667.1mn, reflecting a \$17,107.0mn or 10.7% higher than budgeted inflow. This outturn was \$32,744.4mn or 22.8% above the receipts for the similar period of FY2020/21. The higher-than-targeted collection was mainly due to the above-budget performance of International Trade, along with positive contributions from Income and Profits as well as Production and Consumption. Notably, Tax collections for the month of July 2021 exceeded the amounts received for July 2020 (by \$9,103.3mn) and July 2019 (by \$2,987.6mn), within the context of the relaxation of COVID-19 containment measures during the month.

Taxes of \$66,268.3mn collected from International trade were above target by \$11,343.9mn or 20.7%. This performance reflects above-target receipts for all tax types within the category. The main contributors were GCT (Imports) with inflows of \$30,707.0mn (higher by \$5,329.9mn or 21.0%), Custom Duty with collections of \$15,349.6mn (higher by \$2,835.6mn or 22.7%) and Travel Tax with receipts of \$4,353.8mn (higher by \$2,666.3mn or 158.0%). The performance of GCT (Imports) and Custom Duty reflected higher volumes of imports, consistent with the upturn in the economy among other factors. The increase in Travel Tax was mainly attributable to higher than projected visitor arrivals.

Collections from Income and Profits amounted to \$44,981.5mn, which was \$1,017.2mn or 2.3% above target. This performance was attributable to the higher inflow from Tax on Interest than projected, with receipts of \$6,076.8mn exceeding target by \$1,477.3mn or 32.1%. All other tax types within this category fell short of their respective targets.

Production & Consumption tax receipts totalled \$65,417.3mn, reflecting a surplus of \$4,745.9mn or 7.8%. All other tax types within this category exceeded their respective targets, with Other Licenses and Special Consumption Tax (SCT) (Local) being the two largest contributors. Other Licenses recorded inflows of \$2,119.7mn, which was \$1,051.5mn or 98.4% above target, largely due to a significant inflow from Telecommunication Licences, through Spectrum Management Authority, in

July 2021. Collections of \$11,362.1mn from SCT (Local) were \$859.9mn or 8.2% above target, benefitting from relatively high production levels at the Petrojam refinery. General Consumption tax (GCT) receipts for the review period were generally in line with budget.

Inflows of \$45,010.4mn from Non-Tax Revenue were below budget by \$2,330.8mn or 4.9%. The inflows included receipts from the following main sources, inter alia:

- Dividend payment from the BOJ of \$32,602.3mn;
- Programmed NHT transfer of \$2,850.0mn;
- De-earmarked funds amounting to \$2,255.5mn;

Capital Revenue of \$778.2mn was recorded, although there were no inflows projected from this source for the period. Grants receipts of \$3,075.7mn were higher than target by \$1,706.4mn or 124.6%, largely due to the inflow of US\$13.365mn in July 2021 under the Global Risk Financing Facility Grant Agreement between Jamaica and the International Bank for Reconstruction and Development to finance the catastrophe bond premium.

Expenditure

Expenditure (net of below-the-line payments), which totalled \$229,841.9mn, was \$7,325.5mn or 3.1% lower than programmed, largely on account of lower than planned Recurrent Programmes spending. Relative to FY2020/21, total Expenditure for the April to July 2021 period was \$17,188.71mn or 8.1% higher, reflecting increases in both Recurrent and Capital spending.

Recurrent Programmes spending amounted to \$88,082.5mn, falling short of budget by \$6,151.9mn or 6.5%, mainly reflecting delayed procurement.

Compensation of Employees totalled \$78,439.1mn, which was \$946.5mn below budget and reflected Wages and Salaries of \$71,019.8mn which fell short of budget by \$1,484.6mn due mainly to the delays in finalizing wage negotiations for FY2021/22. Interest payments amounted to \$42,524.9mn, which exceeded budget by \$1,804.5mn or 4.4%. This reflects above-budget payments for both domestic (by \$832.7mn) and external (by \$971.8mn) interest. Interest payments partly reflect the effect of higher than anticipated foreign exchange rates.

Capital spending for the review period was \$20,795.3mn, reflecting a shortfall of \$2,031.5mn or 8.9% relative to budget due to a slower than planned pace of project execution. The expenditure for capital projects was \$5,269.7mn or 33.9% higher than the corresponding period of FY2020/21.

Amortization payments of \$53,661.5mn was \$1,606.3mn or 3.1% above budget, mainly due to higher than programmed external payments while other (below-the-line) outflows were \$1,533.3mn higher than budget primarily due to the earlier than scheduled provision of \$1,000.0mn in loan resources to the

National Water Commission and loan disbursement of \$559.0mn to the Urban Development Corporation (UDC).

Financing

Loan receipts of \$49,364.0mn were higher than budget by \$3,029.9mn or 6.5%, driven largely by higher than planned domestic inflows which totalled \$32,737.7mn and exceeded projection by \$2,594.2mn or 8.6%. External Loan receipts of \$16,626.3mn surpassed budget by \$435.7mn or 2.7%.

Public Debt

At end-July 2021, Jamaica's Public Debt stock stood at \$2,207,915.0mn, an increase of \$70,344.4mn or 3.3% over end-March 2021. This increase is mainly attributed to an increase in Central Government External Debt resulting from valuation changes associated with depreciation of the Jamaica dollar.

The stock of total Central Government debt increased by \$67,538.2mn or 3.2% to \$2,158,035.9mn, resulting from the increase in the external portfolio. Central Government domestic debt at end-July 2021 was \$793,771.3mn, reflecting a decrease of \$1,453.8mn or 0.1% compared to end-March 2021. The reduction reflected lower outstanding debt from Benchmark Investment Notes (BINs).

Central Government external debt at end-July 2021 was \$1,364,264.7mn, increasing by \$68,991.9mn or 3.2% compared to end-March 2021. This increase is attributed to depreciation of the Jamaica dollar relative to the US dollar, which outweighed the USD\$11.4mn reduction in the nominal stock. Net Public Bodies debt increased by \$2,806.2mn; from \$47,072.9mn at end-March 2021 to \$49,879.1mn at end-July 2021.

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

	Mar-21		Jul-21		Change	
	J\$ millions	% Total Public Debt	J\$ millions	% Total Public Debt	J\$ millions	%
Total Public Debt	2,137,570.7	100.0%	2,207,915.0	100.0%	70,344.4	3.3%
Total Central Government Debt	2,090,497.8	97.8%	2,158,035.9	97.7%	67,538.2	3.2%
Central Government Domestic Debt	795,225.0	37.2%	793,771.3	36.0%	-1,453.8	-0.1%
<u>Marketable Securities</u>	<u>795,224.9</u>	<u>37.2%</u>	<u>793,771.1</u>	<u>36.0%</u>	<u>-1,453.8</u>	<u>-0.1%</u>
Bonds	784,924.9	36.7%	783,471.1	35.5%	-1,453.8	-0.1%
Treasury Bills	10,300.0	0.5%	10,300.0	0.5%	0.0	0.0%
<u>Loans</u>	<u>0.2</u>	<u>0.0%</u>	<u>0.2</u>	<u>0.0%</u>	<u>0.0</u>	<u>0.0%</u>
Public Sector	0.0	0.0%	0.0	0.0%	0.0	0.0%
Perpetual Annuities	0.2	0.0%	0.2	0.0%	0.0	0.0%
Central Government External Debt	1,295,272.7	60.6%	1,364,264.7	61.8%	68,991.9	3.2%
<u>Marketable Securities</u>	<u>753,085.4</u>	<u>35.2%</u>	<u>794,212.2</u>	<u>36.0%</u>	<u>41,126.8</u>	<u>1.9%</u>
Bonds	753,085.4	35.2%	794,212.2	36.0%	41,126.8	1.9%
<u>Loans</u>	<u>542,187.3</u>	<u>25.4%</u>	<u>570,052.4</u>	<u>25.8%</u>	<u>27,865.1</u>	<u>1.3%</u>
Bilateral	95,526.1	4.5%	100,242.5	4.5%	4,716.4	0.2%
OECD	3,481.6	0.2%	3,274.5	0.1%	-207.1	0.0%
Non-OECD	92,044.5	4.3%	96,968.0	4.4%	4,923.5	0.2%
Multilateral	446,661.2	20.9%	469,809.9	21.3%	23,148.7	1.1%
IDB	243,057.7	11.4%	252,662.9	11.4%	224,768.2	10.5%
IBRD	145,786.0	6.8%	159,925.1	7.2%	14,139.1	0.7%
Other	57,817.5	2.7%	57,221.9	2.6%	50,902.1	2.4%
Commercial Banks	0.0	0.0%	0.0	0.0%	0.0	0.0%
Non Central Government Debt	47,072.9	2.2%	49,879.1	2.3%	2,806.2	0.1%
Net Public Bodies	47,072.9	2.2%	49,879.1	2.3%	2,806.2	0.1%

Source: MoFPS

Self-Financing Public Bodies Operations - FY2021/22

April – June 2021

For the period April 1 to June 30, 2021 self-financed public bodies (SFPBs) recorded mixed operating results mainly flowing from the underlying assumptions regarding recovery from the impact of COVID-19. Certain public bodies reported significant improvements in operating results compared with budget, namely: the Human Employment and Resource Training Trust (HEART) NTSA, the National Insurance Fund⁵ and the National Housing Trust. These entities had improved contributions collections and generally reduced operating expenses which contributed to their improved Overall Balance outturn.

Petrojam Limited and Clarendon Alumina Production (CAP) recorded improved operating results given higher sales of products; however there were other factors that contributed to the lower than budgeted Overall Balance. In the case of Petrojam Limited, there was a significant prepayment to suppliers for crude/products that were acquired during the period. The negative impact of this was offset by significant reduction in holding of products in inventory. In the case of CAP there was increased holding of inventory, hence a negative impact on inflow of cash and the Overall Balance.

⁵ The National Insurance Fund is not a public body as defined by the PBMA, however its operating results are captured within the group of self-financed public bodies as they are not captured in those of the central government.

The performance of these public bodies contributed primarily to an Overall Balance deficit of \$367.38mn, compared with the budgeted surplus of \$7,564.68mn; a difference of \$7,932.06mn.

Table 3E: SFPBs' Performance April to June 2021 (\$mn)

PUBLIC BODIES - (SPBs & OPBs)			Projected	Actual	Proj vs Actual
Statement 'A' Flow of Funds			Jun-21	Jun-21	Variance
1	Current Revenue		88,810.54	107,414.69	18,604.15
2	Current Expenses		(80,495.56)	(85,625.31)	(5,129.75)
3	Current Balance		8,314.98	21,789.37	13,474.39
4	Adjustments		7,804.87	(16,744.19)	(24,549.07)
	Change in Accounts Receivable/Payable		(919.39)	(22,137.75)	(21,218.36)
	Items not requiring outlay of cash:		0.00	0.00	-
	Depreciation		4,000.37	3,758.85	(241.52)
	Other Non-Cash Items		4,723.89	1,634.71	(3,089.18)
	Prior Year Adjustment		0.00	0.00	-
5	Operating Balance		16,119.86	5,045.18	(11,074.67)
6	Capital Account		(3,460.11)	3,161.01	6,621.12
	Revenue		16,646.39	14,569.63	(2,076.76)
	Expenditure		(20,818.88)	(16,374.76)	4,444.12
	Investment		(662.30)	(1.85)	660.45
	Change in Inventory		1,374.69	4,968.00	3,593.31
7	Transfers from Government		7,617.80	3,425.42	(4,192.38)
	Loans		-	-	-
	Equity		-	-	-
	On-Lending		-	-	-
	Other		7,617.80	3,425.42	(4,192.38)
8	Transfers to Government		(12,712.87)	(11,998.99)	713.87
	Dividend		(2,857.28)	(2,850.00)	7.28
	Loan Repayments		-	-	-
	Corporate Taxes		(133.04)	(70.35)	62.69
	Other		(9,722.55)	(9,078.65)	643.90
9	OVERALL BALANCE (5+6+7+8)		7,564.68	(367.38)	(7,932.06)
10	FINANCING (11+15)		(7,564.68)	367.38	7,932.06
* 10a	Total		5,860.16	3,061.92	(2,798.24)
	Capital Revenue		387.27	104.03	(283.24)
	Loans		6,031.55	2,964.05	(3,067.50)
	Equity		-	-	-
	On-Lending		-	-	-
	Loan Repayments		(558.66)	(6.16)	552.50
11	Total Foreign (12+13+14)		(3,772.30)	881.20	4,653.50
12	Government Guaranteed Loans		(1,518.06)	(1,675.25)	(157.19)
	Disbursement		178.26	0.00	(178.26)
	Amortization		(1,696.32)	(1,675.25)	21.07
13	Direct Loans		(2,245.67)	656.77	2,902.44
	Long Term:		(3,192.76)	(1,160.37)	2,032.39
		Disbursement	1,158.33	0.00	(1,158.33)
		Amortisation	(4,351.09)	(1,160.37)	3,190.72
	Short Term:		-	-	-
		Change in Trade Credits	947.09	1,817.14	870.05
14	Change in Deposits Abroad		(8.58)	1,899.68	1,908.26
15	Total Domestic (16+17+18)		(9,652.54)	(3,575.74)	6,076.80
16	Banking System		(4,150.21)	(167.96)	3,982.25
	Loans (Change)		6,687.70	1,156.79	(5,530.91)
	Overdraft (Change)		0.31	323.98	323.67
	Deposits (Change)		(10,838.22)	(1,648.72)	9,189.50
17	Non-Banks (Change)		15.68	0.00	(15.68)
18	Other (Change)		(5,518.01)	(3,407.79)	2,110.23

Fiscal Outlook

The Fiscal operations for the first four (4) months of FY2021/22 improved considerably relative to the corresponding period of the last fiscal year. Tax Revenue has been particularly robust, benefitting from increased economic activities in light of relaxation of the COVID-19 containment measures. Although the execution of expenditure (net of amortization) has been slower than programmed, it is expected that going forward, planned and actual spending will gradually converge, for both recurrent and capital programmes.

The estimates of the first quarter macroeconomic indicators have been positive, signalling a gradual economic recovery. However, there remains a level of unpredictability regarding the COVID-19 pandemic and the emergence of more infectious variants of the disease could accelerate the spread of the disease. Continued implementation of the GOJ's vaccination programme is expected to mitigate further health, economic and fiscal risks; and the gradual improvement in the economy is expected to continue with the fiscal outlook remaining positive.

Achieving the legislated debt target of 60% of GDP, or less, by end-FY2027/28 remains a priority. Consequently, the GOJ is committed to fiscal prudence and good governance, while ensuring that the Government's programmes and policies are adequately funded.

First Supplementary Budget – FY2021/22

Additional expenditure requirements have emerged since the approval of the budget for FY2021/22, leading to the formulation of a First Supplementary Estimates. The revised Estimates of Expenditure reflects additional non-debt spending of \$27,488.9mn, comprising \$20,101.6mn for Recurrent Programmes and \$7,387.3mn for Compensation of Employees. The additional non-debt recurrent expenditure relates to allocations for, inter alia:

- Additional expenditure for the Ministry of Health and Wellness including, COVID-19 related staff costs and payment of arrears to the National Health Fund;
- An additional \$5.3bn to enable further social assistance to the vulnerable persons in light of the ongoing impact of the COVID-19 pandemic and an additional provision to meet the improved offer for public sector wage increase for FY2021/22;
- Additional spending by the Ministry of Education to assist educational institutions in responding to the pandemic; and
- Additional expenditure for the Ministry of Economic Growth and Job Creation including, et al, spending towards restoration works associated with flood rains, mainly for road patching and rehabilitation of traffic signals.

The proposed adjustment to the Non-Debt Expenditure for FY2021/22 is based on fiscal space availability and the extent to which existing budgetary resources have been identified for redirection.

Public Debt Service

The approved budget programmed total public debt service of \$272,245.2mn for FY2021/22. This comprised \$157,487.3mn for external debt and \$114,757.9mn for domestic debt.

For the First Supplementary Estimates FY2021/22, public debt expenditure is projected to increase by 2.9% to \$280,128.0mn. This is mainly attributable to an increase of \$1,107.1mn or 1.0% in domestic debt expenditure and an increase of \$6,775.7mn or 4.3% in external debt expenditure.

Public Bodies: Prospects for remainder of FY2021/22

The group of Self-financed Public Bodies (SFPBs) is programmed to generate an Overall Balance deficit of \$148.82mn for FY2021/22; this is subject to change given the mixed operating results that have been experienced by the public bodies as at June 30, 2021. The entities' operating results have varied given that the underlying assumptions regarding the impact of COVID-19 have largely not been met.

The fire which damaged the power house at the JAMALCO plant on August 22, 2021 will impact the financial outturn for CAP for the fiscal year. The full extent of the impact has not yet been determined and therefore the impact of this event on the performance of the group of self-financed public bodies could not be estimated at this point.

FY2021/22 and the Medium Term Fiscal Profile

The medium term fiscal profile presented in Appendix I reflects updated projections that are consistent with the adjustments to the medium term macroeconomic forecasts. The revised macroeconomic assumptions for FY2021/22 include, inter alia:

- Real GDP expansion of 9.0%;
- Annual inflation rate of 6.5%;
- Average Oil price (WTI) of US\$69.0 per barrel; and
- Core Imports increasing by 29.3% relative to FY2020/21.

Revenue & Grants for FY2021/22 are currently projected to total \$706,197.1mn (31.7% of GDP), representing an increase of \$33,528.7mn or 5.0% over the approved budget. Tax Revenue, totalling \$602,187.9mn, is projected to account for the largest share of the increase, with additional inflows of \$29,726.7mn projected. Bauxite Levy, Capital Revenue and Grants are also projected to exceed their original target, with the revised projection of \$152.2mn, \$1,143.3mn and \$10,191.3mn, respectively. On the other hand, Non-Tax Revenue, which is projected to total \$92,522.4mn, reflects a \$1,662.9mn or 1.8% decline relative to the approved budget.

Over the medium term, robust growth in Revenue & Grants is expected, as the economic recovery from the effects of the COVID-19 pandemic continues. Over the three years from FY2022/23 to

FY2024/25, inflows from Revenue & Grants are projected to average 30.1% of GDP and grow at an annual average of 5.6%. This performance is expected to be spurred mainly by Tax revenue, with a projected annual average growth of 8.1%.

Total expenditure (net of below-the-line payments) has been revised to \$700,206.8mn (31.4% of GDP) for FY2021/22, reflecting an increase of \$32,958.9mn or 4.9% relative to the approved budget which arises from higher Recurrent allocations. Recurrent Expenditure of \$646,005.6mn (29.0% of GDP) is programmed for the fiscal year, up 5.4%. The increase in Recurrent Expenditure reflects higher Recurrent Programmes, Compensation of Employees and Interest payments by \$20,101.6 mn (8.1%), \$7,387.3mn (3.1%) and \$5,470.1mn (4.3%), respectively. Capital Expenditure is maintained at \$54,201.3mn or 2.4% of GDP.

Total expenditure (net of below-the-line payments) as a percentage of GDP is projected to fall to 31.4% in FY2022/23, 1.2 percentage points below the ratio for the current fiscal year, due mainly to the expected reduction in COVID-19 related spending. Over the medium term, total expenditure (net of below-the-line payments) is expected to average approximately 26.9% of GDP.

Appendix I

Table A1: Central Government Summary Accounts – Fiscal Monitoring Table FY2021/22
(in mns of Jamaica dollars)

Item	Prov.	Budget		FY 20/21			
	Apr - July	Apr - July	Diff	Diff %	Apr - July	Diff	Diff %
Revenue & Grants	225,531.4	208,270.6	17,260.8	8.3%	161,745.0	63,786.3	39.4%
Tax Revenue	176,667.1	159,560.1	17,107.0	10.7%	143,922.7	32,744.4	22.8%
Non-Tax Revenue	45,010.4	47,341.2	(2,330.8)	-4.9%	17,004.9	28,005.5	164.7%
Bauxite Levy	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%
Capital Revenue	778.2	0.0	778.2	-	10.6	767.6	7275.7%
Grants	3,075.7	1,369.3	1,706.4	124.6%	806.9	2,268.8	281.2%
Expenditure	229,841.9	237,167.4	(7,325.5)	-3.1%	212,653.2	17,188.7	8.1%
Recurrent Expenditure	209,046.6	214,340.5	(5,293.9)	-2.5%	197,127.6	11,919.0	6.0%
Programmes	88,082.5	94,234.4	(6,151.9)	-6.5%	83,317.8	4,764.6	5.7%
Compensation of Employees	78,439.1	79,385.6	(946.5)	-1.2%	73,676.1	4,763.0	6.5%
Wages & Salaries	71,019.8	72,504.4	(1,484.6)	-2.0%	69,005.1	2,014.6	2.9%
Employers Contribution	7,419.4	6,881.3	538.1	7.8%	4,671.0	2,748.4	58.8%
Interest	42,524.9	40,720.4	1,804.5	4.4%	40,133.6	2,391.3	6.0%
Domestic	13,142.6	12,309.9	832.7	6.8%	10,540.5	2,602.1	24.7%
External	29,382.3	28,410.5	971.8	3.4%	29,593.1	(210.7)	-0.7%
Capital Expenditure	20,795.3	22,826.9	(2,031.5)	-8.9%	15,525.7	5,269.7	33.9%
Capital Expenditure	20,795.3	22,826.9	(2,031.5)	-8.9%	15,525.7	5,269.7	33.9%
Fiscal Balance (Surplus + / Deficit -)	(4,310.5)	(28,896.8)	24,586.2	85.1%	(50,908.2)	46,597.7	91.5%
Loan Receipts	49,364.0	46,334.0	3,029.9	6.5%	29,558.6	19,805.4	67.0%
Domestic	32,737.7	30,143.4	2,594.2	8.6%	25,037.7	7,699.9	30.8%
External	16,626.3	16,190.6	435.7	2.7%	4,520.9	12,105.4	267.8%
Project Loans	9,092.3	8,756.6	335.7	3.8%	4,496.4	4,595.8	102.2%
Other	7,534.1	7,434.0	100.1	1.3%	24.4	7,509.6	30726.2%
Other Inflows (inc'ds PCDF)	649.4	643.2	6.2	1.0%	93.9	555.5	591.6%
Other Outflows	6,966.5	6,797.8	168.7	2.5%	8,518.4	(1,552.0)	-18.2%
Amortization	53,661.5	52,055.2	1,606.3	3.1%	26,386.7	27,274.8	103.4%
Domestic	33,663.5	33,632.9	30.6	0.1%	8,875.3	24,788.2	279.3%
External	19,998.0	18,422.3	1,575.7	8.6%	17,511.4	2,486.6	14.2%
Overall Balance (Surplus + / Deficit -)	(14,925.2)	(40,772.5)	25,847.3	63.4%	(56,160.9)	41,235.7	73.4%
Primary Balance (Surplus + / Deficit -)	38,214.4	11,823.7	26,390.7	223.2%	(10,774.6)	48,989.0	454.7%

Source: MoFPS

Table A2: Details of Revenue - FY2021/22

(in mns of Jamaica dollars)

Item	Prov.	Budget	FY 20/21				
	Apr - July	Apr - June	Diff	Diff %	Apr - July	Diff	Diff %
Revenue & Grants	225,531.4	208,270.6	17,260.8	8.3%	161,745.0	63,786.3	39.4%
Tax Revenue	176,667.1	159,560.1	17,107.0	10.7%	143,922.7	32,744.4	22.8%
Income and profits	44,981.5	43,964.2	1,017.2	2.3%	41,643.5	3,338.0	8.0%
Bauxite/Alumina	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%
Other Companies	13,806.8	13,856.1	(49.4)	-0.4%	13,238.4	568.3	4.3%
PAYE	23,229.7	23,579.3	(349.6)	-1.5%	21,388.4	1,841.3	8.6%
Tax on Dividend	564.0	600.8	(36.7)	-6.1%	706.4	(142.4)	-20.2%
Other Individuals	1,304.1	1,328.4	(24.3)	-1.8%	1,058.4	245.8	23.2%
Tax on Interest	6,076.8	4,599.6	1,477.3	32.1%	5,251.8	825.0	15.7%
Production and consumption	65,417.3	60,671.4	4,745.9	7.8%	54,057.7	11,359.6	21.0%
Min Business Tax	53.7	0.0	53.7	-	35.9	17.8	49.7%
SCT (Local)	11,362.1	10,502.2	859.9	8.2%	8,292.1	3,070.0	37.0%
Environmental Levy	281.5	181.7	99.7	54.9%	279.1	2.4	0.8%
Motor Vehicle Licenses	1,598.6	1,419.8	178.8	12.6%	1,317.8	280.8	21.3%
Other Licenses	2,119.7	1,068.2	1,051.5	98.4%	945.1	1,174.6	124.3%
Quarry Tax	28.2	24.9	3.3	13.1%	26.6	1.6	5.8%
Betting, Gaming and Lottery	2,598.6	2,091.6	507.0	24.2%	1,891.1	707.5	37.4%
Accommodation Tax	560.7	232.8	327.9	140.8%	399.5	161.2	40.3%
Education Tax	10,352.3	9,904.4	447.8	4.5%	9,451.4	900.8	9.5%
Telephone Call Tax	1,199.4	831.2	368.2	44.3%	1,212.7	(13.2)	-1.1%
Contractors Levy	677.7	579.7	97.9	16.9%	482.8	194.9	40.4%
GCT (Local)	32,533.5	32,403.0	130.5	0.4%	28,273.3	4,260.2	15.1%
Stamp Duty (Local)	2,051.5	1,431.8	619.6	43.3%	1,450.4	601.1	41.4%
International Trade	66,268.3	54,924.4	11,343.9	20.7%	48,221.5	18,046.8	37.4%
Custom Duty	15,349.6	12,514.0	2,835.6	22.7%	11,071.4	4,278.2	38.6%
Stamp Duty	855.0	677.6	177.5	26.2%	508.3	346.7	68.2%
Travel Tax	4,353.8	1,687.5	2,666.3	158.0%	1,431.5	2,922.3	204.1%
GCT (Imports)	30,707.0	25,377.1	5,329.9	21.0%	21,821.5	8,885.5	40.7%
SCT (Imports)	13,629.1	13,613.9	15.2	0.1%	12,431.9	1,197.3	9.6%
Environmental Levy	1,373.7	1,054.4	319.4	30.3%	956.9	416.8	43.6%
Non-Tax Revenue	45,010.4	47,341.2	(2,330.8)	-4.9%	17,004.9	28,005.5	164.7%
Bauxite Levy	0.0	0.0	0.0	0.0%	0.0	0.0	0.0%
Capital Revenue	778.2	0.0	778.2	-	10.6	767.6	7275.7%
Grants	3,075.7	1,369.3	1,706.4	124.6%	806.9	2,268.8	281.2%

Source: MoFPS

Table A3: Central Government Summary Accounts – Fiscal Monitoring Table FY2021/22 (in mns of Jamaican dollars)

Item	First Supplementary Apr - March	Original Budget Apr - March	Diff	Diff %	Actual FY 20/21 Apr - March	Diff	Diff %
Revenue & Grants	706,197.1	672,668.4	33,528.7	5.0%	575,401.1	130,796.0	22.7%
Tax Revenue	602,187.9	572,461.2	29,726.7	5.2%	505,686.7	96,501.2	19.1%
Non-Tax Revenue	92,522.4	94,185.3	(1,662.9)	-1.8%	62,182.6	30,339.8	48.8%
Bauxite Levy	152.2	148.7	3.5	2.4%	0.0	152.2	-
Capital Revenue	1,143.3	96.4	1,046.9	1086.0%	352.1	791.2	224.7%
Grants	10,191.3	5,776.8	4,414.5	76.4%	7,179.7	3,011.6	41.9%
Expenditure	700,206.8	667,247.9	32,958.9	4.9%	635,911.3	64,295.6	10.1%
Recurrent Expenditure	646,005.6	613,046.6	32,958.9	5.4%	586,727.2	59,278.4	10.1%
Programmes	267,922.8	247,821.2	20,101.6	8.1%	234,693.0	33,229.9	14.2%
Compensation of Employees	246,625.9	239,238.7	7,387.3	3.1%	222,996.3	23,629.6	10.6%
Wages & Salaries	226,649.2	221,859.5	4,789.8	2.2%	208,002.2	18,647.1	9.0%
Employers Contribution	19,976.7	17,379.2	2,597.5	14.9%	14,994.1	4,982.6	33.2%
Interest	131,456.8	125,986.7	5,470.1	4.3%	129,037.9	2,418.9	1.9%
Domestic	51,443.5	50,346.0	1,097.5	2.2%	50,338.6	1,104.9	2.2%
External	80,013.3	75,640.7	4,372.6	5.8%	78,699.2	1,314.0	1.7%
Capital Expenditure	54,201.3	54,201.3	0.0	0.0%	49,184.1	5,017.2	10.2%
Capital Expenditure	54,201.3	54,201.3	0.0	0.0%	49,184.1	5,017.2	10.2%
Fiscal Balance (Surplus + / Deficit -)	5,990.3	5,420.5	569.8	10.5%	(60,510.2)	66,500.5	109.9%
Loan Receipts	133,240.8	130,305.6	2,935.2	2.3%	221,924.9	(88,684.1)	-40.0%
Domestic	92,478.9	89,979.50	2,499.4	2.8%	166,092.9	(73,613.9)	-44.3%
External	40,761.8	40,326.1	435.7	1.1%	55,832.0	(15,070.2)	-27.0%
Project Loans	18,359.8	18,024.1	335.7	1.9%	15,309.6	3,050.2	19.9%
Other	22,402.1	22,302.0	100.1	0.4%	40,522.4	(18,120.3)	-44.7%
Other Inflows (inc'ds PCDF)	4,440.6	4,348.7	91.9	2.1%	3,338.5	1,102.1	33.0%
Other Outflows	18,397.9	17,274.7	1,123.2	6.5%	36,967.0	(18,569.1)	-50.2%
Amortization	148,671.2	146,258.5	2,412.7	1.6%	159,085.5	(10,414.3)	-6.5%
Domestic	64,421.5	64,411.9	9.6	0.0%	112,778.2	(48,356.7)	-42.9%
External	84,249.7	81,846.6	2,403.1	2.9%	46,307.3	37,942.4	81.9%
Overall Balance (Surplus + / Deficit -)	(23,397.4)	(23,458.4)	60.9	0.3%	(31,299.3)	7,901.9	25.2%
Primary Balance (Surplus + / Deficit -)	137,447.1	131,407.2	6,039.8	4.6%	68,527.7	68,919.4	100.6%

Source: MoFPS

Table A4: Central Government Summary Accounts
(in mns of dollars)

Item	Act 2017/18	Act 2018/19	Act 2019/20	Proj 2020/21	Proj 2021/22	Proj 2022/23	Proj 2023/24	Proj 2024/25
Revenue & Grants	560,773.6	628,985.2	649,759.2	575,401.1	706,197.1	740,348.0	786,228.0	832,599.5
Tax Revenue	496,894.6	542,919.4	579,397.0	505,686.7	602,187.9	671,479.7	715,742.9	761,099.5
Non-Tax Revenue	53,249.9	72,850.5	64,505.2	62,182.6	92,522.4	63,418.5	64,875.0	65,784.1
Bauxite Levy	127.5	136.5	(0.0)	0.0	152.2	156.2	160.2	164.7
Capital Revenue	4,887.1	2,531.7	1,200.2	352.1	1,143.3	156.0	168.3	179.9
Grants	5,614.4	10,547.0	4,656.8	7,179.7	10,191.3	5,137.7	5,281.5	5,371.3
Expenditure	552,050.1	604,597.5	630,354.4	635,911.3	700,206.8	733,477.3	777,296.3	823,638.6
Recurrent Expenditure	505,244.0	538,393.2	559,961.4	586,727.2	646,005.6	670,387.0	703,544.0	730,753.7
Programmes	176,779.5	209,079.7	216,856.6	234,693.0	267,922.8	277,744.5	291,631.8	306,213.3
Compensation of Employees	193,283.5	200,125.3	211,617.5	222,996.3	246,625.9	261,636.6	283,263.4	299,931.2
Wages & Salaries	178,366.3	183,505.5	195,935.5	208,002.2	226,649.2	242,013.9	262,018.6	277,436.3
Employers Contribution	14,917.2	16,619.8	15,682.1	14,994.1	19,976.7	19,622.7	21,244.8	22,494.8
Interest	135,181.0	129,188.1	131,487.3	129,037.9	131,456.8	131,005.8	128,648.8	124,609.1
Domestic	63,783.5	51,026.0	47,596.1	50,338.6	51,443.5	54,659.0	51,916.1	50,764.8
External	71,397.5	78,162.1	83,891.2	78,699.2	80,013.3	76,346.8	76,732.7	73,844.4
Capital Expenditure	46,806.1	66,204.3	70,392.9	49,184.1	54,201.3	63,090.3	73,752.4	92,884.9
Capital Programmes	46,806.1	66,204.3	70,392.9	49,184.1	54,201.3	63,090.3	73,752.4	92,884.9
Fiscal Balance (Surplus + / Deficit -)	8,723.4	24,387.7	19,404.8	(60,510.2)	5,990.3	6,870.7	8,931.6	8,960.9
Loan Receipts	207,133.0	114,180.1	126,060.1	221,924.9	133,240.8	128,921.1	95,290.8	242,627.9
Domestic	72,894.2	76,553.2	74,978.7	166,092.9	92,478.9	93,649.4	70,052.3	170,738.1
External	134,238.8	37,626.9	51,081.4	55,832.0	40,761.8	35,271.7	25,238.5	71,889.8
Other Inflows (inc'ds PCDF)	11,400.1	27,894.9	104,174.9	3,338.5	4,440.6	32,514.6	17,551.4	14,533.2
Other Outflows	14,260.6	35,164.5	37,933.2	36,967.0	18,397.9	0.0	0.0	0.0
Amortization	232,289.9	132,990.1	169,046.6	159,085.5	148,671.2	168,306.4	121,773.8	266,121.9
Domestic	168,627.6	80,008.1	70,480.6	112,778.2	64,421.5	116,510.9	21,933.9	167,432.8
External	63,662.3	52,982.0	98,565.9	46,307.3	84,249.7	51,795.5	99,839.9	98,689.2
Overall Balance (Surplus + / Deficit -)	(19,294.1)	(1,691.9)	42,660.0	(31,299.3)	(23,397.4)	0.0	0.0	0.0
Primary Balance (Surplus + / Deficit -)	143,904.5	153,575.8	150,892.1	68,527.7	137,447.1	137,876.5	137,580.4	133,570.0
Total Payments	798,600.7	772,752.1	837,334.1	831,963.8	867,275.9	901,783.7	899,070.1	1,089,760.5

Source: MoFPS

Table A5: Central Government Summary Accounts
(percent of GDP)

Item	Act 2017/18	Act 2018/19	Act 2019/20	Proj 2020/21	Proj 2021/22	Proj 2022/23	Proj 2023/24	Proj 2024/25
Revenue & Grants	29.1%	30.6%	30.6%	29.5%	31.7%	30.5%	30.1%	29.8%
Tax Revenue	25.8%	26.4%	27.3%	26.0%	27.0%	27.7%	27.4%	27.2%
Non-Tax Revenue	2.8%	3.5%	3.0%	3.2%	4.2%	2.6%	2.5%	2.4%
Bauxite Levy	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Revenue	0.3%	0.1%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%
Grants	0.3%	0.5%	0.2%	0.4%	0.5%	0.2%	0.2%	0.2%
Expenditure	28.6%	29.4%	29.7%	32.6%	31.4%	30.3%	29.7%	29.5%
Recurrent Expenditure	26.2%	26.2%	26.4%	30.1%	29.0%	27.7%	26.9%	26.1%
Programmes	9.2%	10.2%	10.2%	12.0%	12.0%	11.5%	11.1%	11.0%
Compensation of Employees	10.0%	9.7%	10.0%	11.4%	11.1%	10.8%	10.8%	10.7%
Wages & Salaries	9.2%	8.9%	9.2%	10.7%	10.2%	10.0%	10.0%	9.9%
Employers Contribution	0.8%	0.8%	0.7%	0.8%	0.9%	0.8%	0.8%	0.8%
Interest	7.0%	6.3%	6.2%	6.6%	5.9%	5.4%	4.9%	4.5%
Domestic	3.3%	2.5%	2.2%	2.6%	2.3%	2.3%	2.0%	1.8%
External	3.7%	3.8%	4.0%	4.0%	3.6%	3.2%	2.9%	2.6%
Capital Expenditure	2.4%	3.2%	3.3%	2.5%	2.4%	2.6%	2.8%	3.3%
Capital Programmes	2.4%	3.2%	3.3%	2.5%	2.4%	2.6%	2.8%	3.3%
Fiscal Balance (Surplus + / Deficit -)	0.5%	1.2%	0.9%	-3.1%	0.3%	0.3%	0.3%	0.3%
Loan Receipts	10.7%	5.6%	5.9%	11.4%	6.0%	5.3%	3.6%	8.7%
Domestic	3.8%	3.7%	3.5%	8.5%	4.2%	3.9%	2.7%	6.1%
External	7.0%	1.8%	2.4%	2.9%	1.8%	1.5%	1.0%	2.6%
Other Inflows (inc'ds PCDF)	0.6%	1.4%	4.9%	0.2%	0.2%	1.3%	0.7%	0.5%
Other Outflows	0.7%	1.7%	1.8%	1.9%	0.8%	0.0%	0.0%	0.0%
Amortization	12.0%	6.5%	8.0%	8.2%	6.7%	6.9%	4.7%	9.5%
Domestic	8.7%	3.9%	3.3%	5.8%	2.9%	4.8%	0.8%	6.0%
External	3.3%	2.6%	4.6%	2.4%	3.8%	2.1%	3.8%	3.5%
Overall Balance (Surplus + / Deficit -)	-1.0%	-0.1%	2.0%	-1.6%	-1.1%	0.0%	0.0%	0.0%
Primary Balance (Surplus + / Deficit -)	7.5%	7.5%	7.1%	3.5%	6.2%	5.7%	5.3%	4.8%
Total Payments	41.4%	37.6%	39.5%	42.7%	38.9%	37.2%	34.4%	39.0%
GDP	1,928,478.2	2,053,279.2	2,121,125.1	1,948,548.7	2,226,973.5	2,423,665.5	2,616,006.0	2,795,317.6

Source: MoFPS

Appendix II

FISCAL RISK STATEMENT

This report serves as an update to select elements of the Fiscal Risk Statement published in the February 2021 Fiscal Policy Paper (FPP). Among the risk sources identified in the 2021 publication are: the macroeconomic assumptions used to prepare the FY2021/22 budget and projections for the medium term, which include economic growth, interest rates, exchange rates, inflation and changes in commodity prices, particularly that of oil; liabilities arising from natural disasters, the operations of public bodies, judicial awards and public private partnerships, and other specific risks such as wage settlements, monetary policy and changes in government policy.

Macroeconomic Risks

Economic Growth

In September 2021, the real GDP growth forecast for FY2021/22 was revised upwards from the 5.2% in the budget to 9.0%. This resulted from better-than-expected performance consistent with the pace of recovery of the economy. First quarter economic growth is estimated at 12.9%, driven by a 330.7% increase in Hotels and Restaurants, associated with the reopening of the tourism industry. Construction and Agriculture, Forestry and Fishing also demonstrated strong growth performance of 18.3% and 10.3% respectively (see **Part 2: Macroeconomic Overview**).

The higher than projected economic growth for the quarter positively impacted revenue collection. Tax revenue for the April to July quarter exceeded budget by \$17,107.0 million, or 10.7%. Coupled with lower than budgeted expenditure and the emergence of additional critical expenditures, this necessitated the development of the Government's First Supplementary Budget for FY2021/22 (see **Part 3: Fiscal Management Strategy**).

Inflation

In August 2021, the annual point-to-point inflation rate was 6.1%, higher than the fiscal year projection of 5.1% at the time of budget, and outside the targeted band of 4.0% to 6.0%. The fiscal year projection has since been revised to 6.5%. The revision was driven by a higher-than-expected recovery in domestic demand, exchange rate depreciation and increased international commodity prices (see **Part 2: Macroeconomic Overview**). Though the expected outturn for the fiscal year is outside the targeted band, it is expected to moderate in the medium-term. Higher than expected inflation has the potential to increase GOJ housekeeping costs, and debt-servicing costs associated with inflation-linked debt.

Interest Rates

In the second quarter of FY2021/22, the 90-day Treasury bill rate averaged 1.08%, 9 basis points (bps) lower than the average recorded in the final quarter of FY2020/21. This decline suggests an increased appetite for short-term Government securities, as well as increased liquidity in the financial sector. In August 2021, the Bank of Jamaica decided to hold its policy rate at 0.50% but signalled that tightening monetary policy may be imminent to moderate inflation expectations. This could lead to an increase in Treasury-bill rates over time, as well as the interest cost on variable-rate domestic debt⁶.

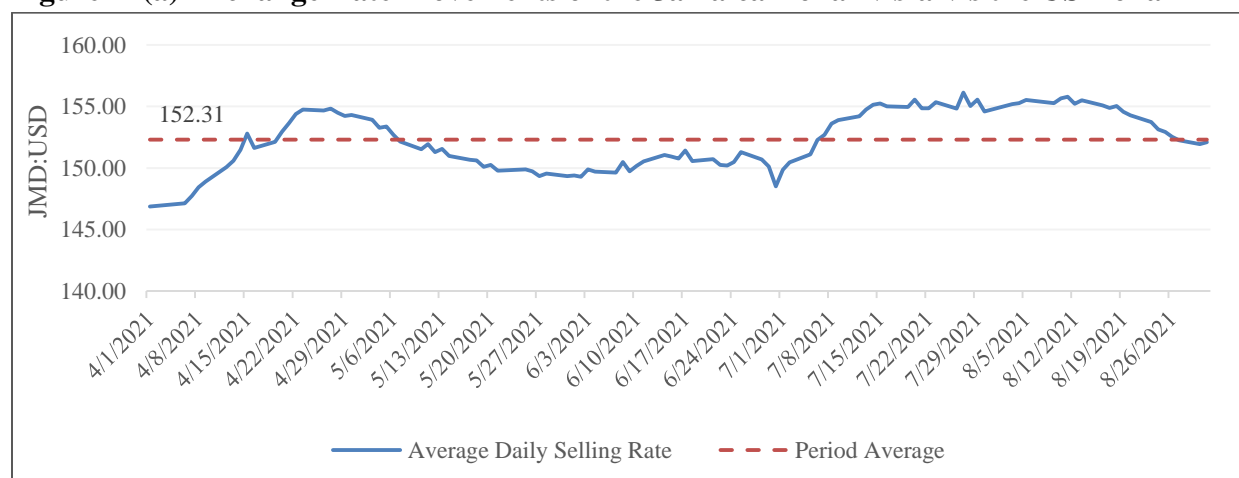
While the Government's domestic variable-rate debt is linked to the 90-day Treasury bill, interest rates on external variable-rate debt are primarily linked to the 3-month US LIBOR. The US Federal Reserve has maintained the Federal Funds Rate within the target band of 0.00% to 0.25% since March 2020. This accommodative monetary policy stance has translated into lower LIBOR rates. For the second quarter of FY2021/22 to end-August, the 3-month LIBOR averaged 0.13%, which was 7 bps lower than the average for the final quarter of FY2020/21.

Exchange Rate

Over the first five months of the fiscal year, the Jamaica dollar depreciated by 3.8% against the United States (US) dollar. The JMD:USD exchange rate peaked at J\$156.14 to US\$1 in July 2021, after ending the previous fiscal year at J\$146.58 to US\$1. The average selling rate for the period was J\$152.31 to US\$1 (see **Figure II (a)**). This compares favourably to the pace of depreciation over the similar period last fiscal year which was 10.8%, suggesting relatively strong foreign currency inflows from the performance in tourism and other export industries. The Bank of Jamaica continues to intervene in the foreign currency market, where necessary, to address temporary imbalances through the BOJ Foreign Exchange Intervention and Trading Tool (B-FXITT).

⁶ The 90-day treasury bill is the benchmark rate used to reset coupons on domestic variable-rate debt.

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

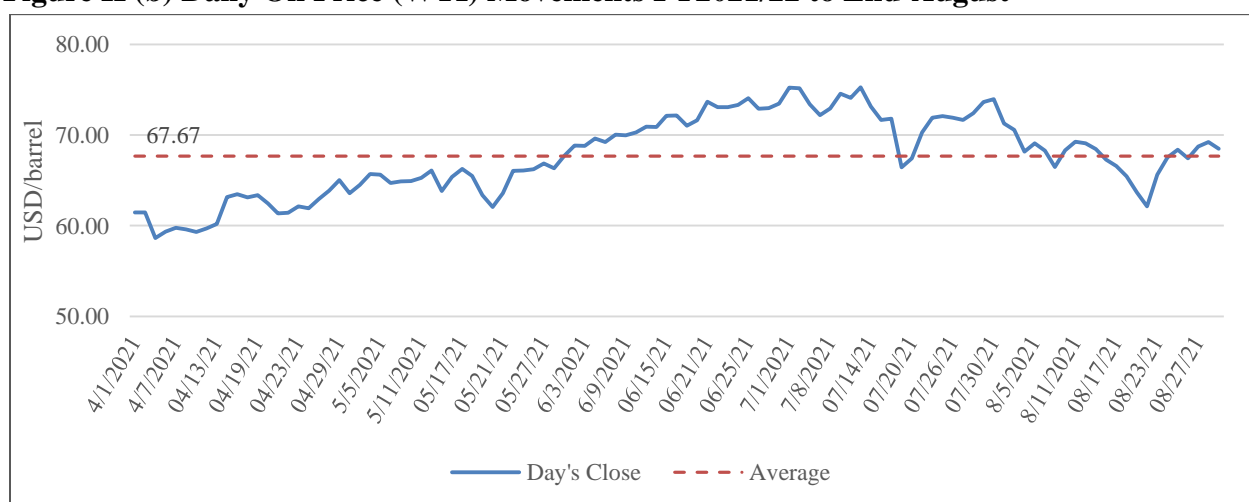


Source: Bank of Jamaica

Oil Prices

For the fiscal year to end-August, West Texas Intermediate (WTI) oil prices averaged US\$67.67/bbl (see **Figure II (b)**). Relative to the same period last fiscal year, this represents an increase of US\$33.73/bbl. This increase resulted from increased demand associated with the reopening of the global economy following shutdowns in response to the COVID-19 pandemic. Average oil price for the fiscal year thus far is also greater than the projected fiscal year average of US\$45.60/bbl. The projected average has since been revised to US\$69.02/bbl suggesting an unlikely decline in oil prices for the remainder of the fiscal year.

Figure II (b) Daily Oil Price (WTI) Movements FY2021/22 to End-August



Source: Markets Insider

Contingent Liabilities

Natural Disasters

In July 2021, the GOJ bolstered its financial protection in the event of natural disasters through the issuance of a Catastrophe (Cat) Bond on the International Capital Market, through the World Bank. The Cat Bond provides insurance coverage valued at a maximum of US\$185.0 million against named wind storms, for a period of two and a half years, or three Atlantic hurricane seasons. The Government has also maintained its parametric insurance coverage with the Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF-SPC) which insures the country against damage resulting from Tropical Cyclone (TC), Earthquake (EQ) and Excess Rainfall (XSR). Additionally, US\$285.0 million remains available through the Inter-American Development Bank (IDB) Contingent Credit Line, and as at end-August 2021, the GOJ's National Disaster Fund (NDF) and Contingencies Fund were capitalised at approximately \$341.0 million and \$4,504.2 million, respectively.

In August 2021, Jamaica was impacted by Tropical Storm Grace which resulted in damage estimated at \$171.0 million. While the intensity of the storm did not trigger any insurance payout, adequate resources were available in the NDF to finance disaster response activities.

National Natural Disaster Risk Financing Policy

The GOJ's policy to guide disaster risk financing in Jamaica is slated to be submitted to Cabinet for further review by a Sub-Committee of Cabinet by end – October 2021. The draft policy proposes a risk layered approach to funding disaster relief, recovery and reconstruction without significant impact on the national budget.

Public Bodies

The COVID-19 pandemic has challenged the financial performance of various public bodies. One such entity is the Jamaica Urban Transit Company (JUTC) which was directly impacted by the limitation on movement implemented as a measure to contain the spread of the coronavirus. In FY2020/21, a reduction in ridership likely due to lockdowns, curfew hours and social distancing requirements resulted in a reduction in revenue for the period. The Company is estimating increased ridership for FY2021/22 which will lead to an improvement in revenue over the previous fiscal year. However, revenues are not expected to return to pre-pandemic levels during the year. Additionally, the JUTC's fare structure has remained below the economic level. It is noted that a fare increase was granted to privately run transportation operators in August 2021.

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

Public Bodies with Arrears

GOJ remains cognisant that public bodies with significant arrears could present fiscal risks to the Government's operations. Therefore, arrears and liabilities are closely monitored to manage these risks. The Government continues to monitor closely the domestic arrears of seven (7) large public bodies within the established ceiling of \$6,400.0million. These public bodies are Clarendon Alumina Production Limited, National Water Commission (NWC), Housing Agency of Jamaica, the Jamaica Urban Transit Company Limited, National Health Fund, National Road Operating and Construction Company Limited and the Urban Development Corporation. The total domestic arrears for these entities totalled \$5,480.52 million as at June 25, 2021.

Public Private Partnerships (PPPs)

Public Private Partnerships (PPPs) remain important mechanisms to undertake infrastructure upgrade and development, while facilitating shared risks. While the Government continues to pursue PPPs, it is recognised that these may present fiscal risks if not appropriately designed and financed and the associated risks recognised and monitored. The enhanced fiscal rules that were adopted through amendments to the FAA and PBMA Acts in March 2014 have put in place the institutional changes required to strengthen the development of projects and manage the risks associated with PPPs.

There are currently five (5) user pays (commercial) concession agreements in operation. These are agreements for the Norman Manley International Airport (NMIA), Sangster International Airport – managed by the Airports Authority of Jamaica; Kingston Container Terminal (KCT) – managed by the Port Authority of Jamaica; North South Highway and the East West Highway 2000 – managed by National Road Operating and Constructing Company Limited (NROCC).

The operators of the two major international airports have submitted claims for relief under the agreements given the continued negative impact of the COVID-19 pandemic on international travel. On December 14, 2020, Cabinet approved claims submitted by PAC Kingston Airport Limited, operators of the NMIA and MJB Airports Limited, operator of the Sangster International Airport for relief under the force majeure clause for the respective concession agreements. A negotiating team has been appointed by Cabinet to assess further proposals submitted by the concessionaires to facilitate economic recovery and long-term sustainability given the ongoing impact of the pandemic on the operations of the airports.

The concessionaires for the two highways have indicated that measures implemented under the Disaster Risk Management Act have resulted in a reduction in the level of traffic on the highways. TransJamaica Highway (TJH) has submitted a notice of claim for revenue losses. However these claims, which are considered on-going as the conditions which gave rise to the claims remain in effect, will be subject to further assessment.

The concession agreement for the North South Highway provides for an extension of the concession term to facilitate the recovery of losses incurred. The extent of losses has not yet been quantified given that the conditions that gave rise to the claim of revenue loss remain in effect.

The impact of the pandemic on the operations of the Kingston Container Terminal has not been significant enough to give rise to a force majeure claim.

PPPs In progress

An update on the PPP projects which are advanced is provided below:

Schools Solar Energy

The Government of Jamaica, through the Ministry of Education Youth and Information is seeking to implement an integrated energy efficiency and solar retrofits (EE-solar) project in 30 public schools as part of a pilot project. Negotiations have been concluded with the preferred bidder for the Schools Energy Efficiency and Solar Energy PPP Pilot Project. The National Education Trust, on the advice of the Attorney General's Chambers, has been working with the preferred bidder on the appropriate corporate structure of the Special Purpose Vehicle (SPV). Accordingly, a Form of Guarantee is to be executed by the preferred bidder at the time of execution of the Energy Savings Performance Contract agreement. This is to allow the Government of Jamaica to have legal recourse to the ultimate parent of the SPV.

Rio Cobre Water Treatment Plant

The National Water Commission is seeking to enter into a Public Private Partnership arrangement to facilitate the construction of a 15 million gallon per day capacity water treatment plant in Content, St. Catherine to address the shortfall in water supply in the Kingston Metropolitan Region. Negotiations for the construction and operation of the Rio Cobre Water Treatment Plant have been concluded.

Appendix III

TAX ADMINISTRATION JAMAICA

Tax Administration Jamaica (TAJ) administers Jamaica's tax laws with respect to domestic taxes (*which accounts for 66% of Jamaica's tax revenue as at end FY2020/21*). In keeping with its mandate to collect the revenue due, TAJ helps to create an efficient business environment that facilitates economic growth and development, while advancing its vision of becoming a "World Class Tax Administration".

Due to the prolonged impact of the pandemic TAJ has continued the suspension of some face-to-face services and back-office operations, to adhere to the COVID-19 protocols.

Additional online payment options were implemented as the Agency sought to address the issues of long lines and complex processes with a standard of convenience, ease, certainty, accuracy and security. TAJ also utilized internal communication mediums to inform and encourage staff to adhere to the COVID-19 protocols as well as to get vaccinated. TAJ continues its efforts to have services delivered online where possible, while consistently promoting those services that are already available online.

At the end of July tax collections were above target. TAJ does however, recognize that given the continued impact of the pandemic, the possibility exist that future collections could be negatively impacted. TAJ continues to monitor its progress and seeks to positively achieve its targeted results which are aligned under two main programmes (*i.e. Executive Direction and Administration Programme and Domestic Tax Administration Programme*). Overall, 25% of TAJ's strategic targets are being met, 50% are progressing and another 25% are behind schedule. The performance of TAJ with respect to its main deliverables are presented below.

PERFORMANCE FY2021/22 (July 2021)

Collections

Total collections for the period April to July 2021 amounted to \$110.4bn. This was \$5.7bn or 5.4% above target and \$14.7bn or 15.5% above the comparative period last year. Since the start of the FY, a total of \$6.0bn was made in refund payments to taxpayers with special focus on those taxpayers whose businesses closed or who are experiencing challenges from the continued negative impact of COVID-19.

Compliance

TAJ continues to use a mixture of measures and approaches to positively affect taxpayer compliance, given the impact of COVID-19 and its accompanying restrictions.

Web messages and telephone calls were utilized to communicate with delinquent taxpayers as the entity sought to address filing and payment issues. Communication mainly focused on identifying and notifying taxpayers of failure to file and/or pay their final Income Tax Returns (IT02 and SO4); estimated Income Tax declarations (IT07 and SO4A); and monthly PAYE obligations (Missing S01).

The on-line payment options and mandatory e-filing continue to increase alongside a corresponding increase in on time payments across all segments for GCT, PAYE, SCT and GART. Additionally, this was positively impacted by an increase in activity for the period due to longer opening hours and business days. A programme designed to reduce the stock of arrears for FY2021/22 resulted in approximately 71% of targeted arrears being collected (\$12.65bn of \$17.86bn). Collections by enforcement action accounted for \$11.59bn (approximately 92%) of arrears collected. Despite this, the stock of arrears increased, partly due to outstanding payments on current returns.

TAJ has pivoted to virtual platforms, to engage taxpayers for field audits. However, the desk audits and audited refunds continue to be a major compliance focus, while balancing the acceptable audit production levels with the well-being of the staff.

As at end-July 2021, 13% and 25% of the targeted audits were audits for large and medium taxpayers respectively, which translates to 1.3% coverage for the large taxpayers and 1.5% coverage achieved for the medium taxpayers.

During the review period (April-July 2021), taxpayers lodged 218 Objections to assessments, while TAJ settled 181 cases. The best judgement assessments (BJAs) continue to produce high discharge rates (settled in favour of the taxpayer), when compared to audited assessments. For FY2021/22, TAJ has targeted an objection settlement rate of 23% of inventory. At the end -July, the objection settlement rate stood at 10%.

Customer Service

During the review period, TAJ continued its efforts of focusing on implementing online solutions that will further enhance and improve customer service in this dynamic and challenging environment. The Tax Authority has taken the initiative to reorganise and reimagine its customer service output in several ways, namely:

- In April 2021, TAJ launched its online GCT application facility
- In June 2021, TAJ hosted its first webinar event, “Discovering the Convenience of TAJ’s Online Services”, to help increase awareness about its many uses, features, and how accessing the service makes doing business, particularly making payments, easier. During the review

period TAJ introduced the Direct Funds Transfer (DFT) payment option. This payment method continues to show positive results, which suggests an increase in user confidence.

TAJ continues its Saturday operations at select Tax Offices, to extend its service times to the public. Taking the COVID-19 containment measures into account TAJ modified the drivers licence renewal procedure, allowing drivers to utilize their receipts for a specific period. As a result the entity had 14,000 uncollected renewed drivers' licences. Drivers are being encouraged to collect their renewed licences as soon as they are ready. The Property Tax deadline was extended to June 30, 2021 due to the COVID-19 measures.

To further improve the Agency's delivery of services, TAJ has implemented several initiatives to ensure the successful implementation of the ISO 9001:2015 Quality Management System at three additional Tax Offices, with a certification target of Q3. These locations include:

- Falmouth Tax Office
- May Pen Tax Office
- Spanish Town Tax Office

It is noted that the St. Andrew Revenue Service Centre was recently certified, as such, four (4) locations in total are to be ISO 9001:2015 certified within our operations.

The primary focus of TAJ's public education campaigns during the first and second quarters of FY2021/22 were:

- Property Tax matters (April – June 2021)
- Promotion of online services
- Reminder of filing and payment obligations

During the second quarter, TAJ's messaging continues with the promotion of its eServices, as well as keeping taxpayers informed about the consequences of non-compliance with the tax laws.

TAJ experienced business disruption as of June 7, when the St. Andrew Revenue Service Centre location had to be closed for one week, as a result of a fire. Since June 14, there has been a partial reopening of the location, offering limited services to include non-cash transactions only. In addition, the Montego Bay Revenue Service Centre experienced an operational disruption as a result of a faulty central air conditioning unit, which reduced its operational hours.

On July 4, Jamaica was impacted by Tropical Storm Elsa, which affected the Authority's business operations island wide, as numerous roadways and communities were flooded by the torrential rains. This weather event delayed restoration work at the St. Andrew Revenue Service Centre.

Legal Framework

The Convention on Mutual Administrative Assistance in Tax Matters (MAAC) is now fully effective following the completion and gazetting of legislation for the Automatic Exchange of Information.

The Double Taxation Treaty (DTA) between Jamaica and United Arab Emirates has been approved by Cabinet, and is in the final stage of completion. The objectives of this bilateral agreement are similar to the objectives of BEPS, where, apart from addressing concerns of double taxation, it also seeks to facilitate the free flow of international trade/cross border investment, transactions and the transfer of technology and culture. As with all the DTAs to which Jamaica has agreed, this will help to level the playing field and address inequities between taxpayers in the international arena, as well as creating an environment of fiscal and legal assurance that facilitates international business and trade.

Jamaica Customs Agency

Introduction

The Jamaica Customs Agency (JCA), currently collects thirty-eight percent (38%) of the government's revenue and as such remains an essential arm of the Government of Jamaica (GOJ) as a key enabler to achieving the objectives of the National Development Plan 'Vision 2030'.

The JCA's mandate embodies collecting revenue due to the Government of Jamaica, facilitating trade, travel and border protection management. This mandate contributes to the economic and social development of Jamaica through collection of the resources needed by the government to meet its policy and delivery priorities.

Operating Environment

The JCA strives to secure the national and global trade landscape, thereby making the business environment more stable by streamlining procedures, tackling corruption, enhancing integrity, and facilitating the cross-border movement of people and goods.

Revenue Collection – April 2021 to July 2021

The revenue collection programme of the JCA for the review period has been experiencing an upward performance despite the disruption to the international trade supply chain resulting from the effects of the global COVID-19 pandemic. Despite the dynamics of the externalities, the Agency's strategic efforts to support the core mandate of revenue collection have resulted in a positive outturn against the period's target, registering a 21.5% above target performance. For the period April 1- July 31, 2021, tax revenue collected was \$66.264bn which increased by \$18.057bn or 38% in comparison to April 1- July 31, 2020. As it relates to the performance of non-tax revenue for the period April 1- July 31, 2021, collection was \$5.961bn, increasing by \$0.306bn or 23% in comparison to April 1- July 31, 2020. Total net revenue collected for April 1- July 31, 2021, was \$72.226bn, recording a growth of \$19.245bn or 36% in comparison to April 1- July 31, 2020, the all-round positive performance is highly likely to be a signal of recovery post the negative impact of the global pandemic last fiscal year.

Trade Facilitation

Trade Facilitation as a mandate of the Jamaica Customs Agency (JCA) remains imperative as the Agency continues to grapple with the impact of the COVID-19 global pandemic. The JCA continues to ramp up its effort towards creating greater levels of trade facilitation geared towards moving cargo and people faster through the ports. In light of this the Agency continues to introduce several initiatives towards achieving these objectives:

- The country's Instrument of Accession to the International Convention on the Simplification and Harmonization of Customs Procedures (**Revised Kyoto Convention – RKC**) was deposited on May 7, 2021, by the Embassy of Jamaica in Brussels and Mission to the European Union with the World Customs Organization (WCO), resulting in Jamaica being the 128th contracting party to the Convention. Subsequently, the RKC entered into force for Jamaica on August 7th, 2021. The accession to the RKC is a major milestone achieved by the Agency in keeping with its Strategic Business Plan. This paves the way for inter-agency coordination and partnership with key stakeholders of the international trade supply chain for the fulsome streamlining of processes and procedures enabling greater efficiency and effectiveness across the international trade ecosystem. The Agency will commence implementation of the RKC in September 2021.
- The phase 1 on boarding of primary services through the **Jamaica Single Window for Trade (JSWIFT)** for six of the Border Regulatory Agencies (BRAs) continued. The development of the Certificate of Origin issued by the Trade Board Limited (TBL) was completed and facilitated the training of both TBL staff and exporters. This was followed by piloting of the eService commencing June 22, 2021, and a mandatory effective date of August 23, 2021, for full implementation. The development of the Certificate of Origin issued by the Jamaica Customs Agency (JCA) was also completed and such eService is slated to be piloted in September 2021. In addition, the development of the fumigation and ePhytosanitary certificate provided by the Ministry of Agriculture (MOA) Plant Quarantine Produce Inspection Branch (PQPIB) Export Phytosanitary and Fumigation Services was completed and is currently undergoing user-acceptance testing before commencing training/sensitization of users and subsequent piloting. On July 26, 2021, the Agency announced the implementation of the **Advance Advice for Classification and Origin** e-service to handle matters concerning the classification of goods and applicable rules of origin. The service was provisioned through the Automated Customs Management System, ASYCUDA World, available for use by importers, Customs Brokers, and exporters. An **Advance Advice** is a written statement issued with respect to the determination of classification or origin of goods by the Jamaica Customs Agency in advance of the *importation* or *exportation* of cargo and will be non-binding on the Agency. It is to be noted that the Advance Advice implementation is a scale-down or precursor to the Advance Rulings implementation which is legally binding and requires the legislative framework for delivering such offerings.
- The development of a master plan for the modernization of the **Non-Intrusive Inspection Programme (NIIP)** was delayed as the restrictions associated with the COVID-19 pandemic caused further setbacks in the submission of the Master Plan.

For the period April 1 - July 31, 2021, the Agency processed 45,233 commercial declarations of which 41,675 or 92% were processed within 20 hours of submission. Comparatively, for the similar period, April 1 – July 31, 2020, commercial declarations processed within the same standard time frame were 37,422 or 95% of the 39,258 commercial declarations submitted for the period. Despite a 3% decline in the actual average percentage declarations processed within the standard time, it is to be noted that, the Agency continues to perform above the targeted standard of 80% commercial declarations processed within the standard timeframe. Additionally, there has been a 15% increase in the number of commercial declarations submitted.

Across the two main International Airports, the Donald Sangster International Airport (DSIA) and Norman Manley International Airport (NMIA) **main passenger terminals** for the April 1 – July 31, 2021 period, passenger arrivals totalled 598,052. This represented a significant increase of 528,374 or approximately 758% when compared to 69,678 for the similar period of the previous year. This increase is due to the reopening of the country's borders. Overall, the average passenger processing time netted 3:01 minutes for the red channel and 26 seconds for the green channel.

Border Protection

The Jamaica Customs Agency recorded an increase of 108 seizures or 38% from April to July 2021 over April to July 2020. Three Hundred and Ninety-Five (395) seizures were reported for April 2021 to July 2021 in comparison to Two Hundred and Eighty-Seven (287) seizures from April 2020 to July 2020. Narcotics seizures accounted for Three Hundred and Ten (310) seizures for April to July 2021. This included a total of One Hundred and Eight (108) cocaine seizures and One Hundred and Twenty-One (121) marijuana seizures. In addition, other specific seizures registered for the current period were five (5) firearms, six (6) magazines, and two hundred and forty-six (246) ammunition seizures compared to one (1) firearm, one (1) magazine, and no ammunition seized for April - July 2020. A total of 11,843 cigarette sticks have been seized compared to 64,848 cigarette sticks seized for April – July 2020. Three Hundred and Ten (310) drugs/narcotics seizures were recorded; and this reflected an increase of 188 seizures or 154%, moving from 122 seizures for April – July 2020. Cash detained or seized made by the Agency amounted to US\$178,017.

Legislative Amendments

Development of the regulations for the Customs Act 2020 continued during the review period. The technical team facilitated the review of the principal legislation by the Joint Select Committee (JSC) of Parliament. Activities undertaken included:

- Further preparation of clause-by-clause briefs with additional MOFPS/JCA comments.
- Meetings with the MOFPS (Taxation Policy Division) to settle policy issues that emerged during the review of the principal legislation.

- Communication with stakeholders (Post and Telecommunications Department resubmission to Customs of advance arrival and departure information regarding postal articles).
- Consultation with stakeholders regarding specific issues: (Revenue Appeals Division (RAD) - amendment to the Valuation Schedule, and Tax Administration Jamaica (TAJ) - currency to be treated as goods),
- Issuing of further drafting instructions to the Office of the Parliamentary Counsel.

Stakeholder Engagement

The JCA ended the period with ten (10) stakeholder engagements amid the social restrictions resulting from the protocols due to the COVID-19 pandemic, through leveraging the use of technology to reach its clients. Events included three (3) Authorized Economic Operators (AEO) sessions held with stakeholders from the manufacturing and producing companies in the poultry sector; one (1) sensitization session for the private sector on market access under preferential trade; and one (1) town hall session, which focused on the clearance of humanitarian relief supplies.

Appendix IV

Developments in the Financial Sector

During the review period, the Ministry of Finance and the Public Service (MOFPS) continued to pursue key financial sector reforms to enhance the resilience and stability of the financial system.

The Financial Investigations Division (FID) continued to actively pursue its mandate of dealing with matters relating to financial crimes, including money laundering; while the Financial Sector Adjustment Company (FINSAC) Limited intensified its winding down operations.

Microcredit Bill

Subsequent to the passage of the **Microcredit Act** in January 2021, the Microcredit Rules and Regulations were approved by Parliament in July 2021. The Act became effective on July 30, 2021. This paves the way for the licensing and regulation of microcredit institutions.

Bank of Jamaica (Amendment) Act

In August 2021 the Cabinet approved amendment of the **Bank of Jamaica Act** (BOJ Amendment Act) to facilitate central bank digital currency.

Credit Union (Special Provisions) Bill

The MOFPS received comments on the **Credit Union (Special Provisions) Bill** from the Jamaica Deposit Insurance Corporation (JDIC) and the Bank of Jamaica (BOJ) following which additional instructions were sent to the Chief Parliamentary Counsel (CPC) to revise the draft Bill. The Bill seeks to bring credit unions under the regulatory purview of the Bank of Jamaica.

Pensions (Superannuation Funds & Retirement Schemes) (Amendment) Bill

The MOFPS received comments from the Financial Services Commission (FSC) and Tax Administration Jamaica (TAJ) on the **Pensions (Amendment) Bill**. Comments were also received from TAJ on the **Income Tax (Amendment) Bill**. Additional drafting instructions for both draft Bills were issued to the CPC. The amendments seek to safeguard pension benefits and strengthen the regulatory arm of the FSC.

Insurance (Amendment) Act and Regulations

The Government has commenced procedures to enable amendment of the **Insurance Act**. Amendment of the Insurance Act will seek to, among other things, facilitate the creation of a microinsurance legislative framework. The Government is also pursuing amendment of the **Insurance Regulations**. The Office of Chief Parliamentary Counsel is currently drafting revisions to the Insurance Regulations.

Financial Services Commission (Amendment) Bill

A revised draft of the **FSC (Amendment) Bill** has been prepared by the CPC following the provision of comment by the FSC. The Bill seeks to facilitate the development of the regime for consolidated supervision of non-deposit taking institutions groups.

Proposed Financial Institutions Resolution Act

The MOFPS continued to collaborate with the Technical Working Group to review the **Financial Institutions Resolution Bill** and develop additional drafting instructions to revise this Bill. The Bill seeks to enhance the resilience and stability of the financial system via a framework to address the orderly resolution of nonviable financial institutions, minimize the resort to public funds, and preserve vital economic functions.

Regulatory Framework for Virtual Assets and Virtual Asset Service Providers

Following the receipt of comments from stakeholders on the policy proposal for a Regulatory Framework for Virtual Assets and Virtual Asset Service Providers procedures have commenced to facilitate establishment of a Regulatory Framework for Virtual Assets and Virtual Asset Service Providers.

Consumer Protection Framework for Deposit Taking Institutions

Drafting instructions have been issued to the Chief Parliamentary Counsel to draft the requisite Bill for the enactment of legislation to implement a Consumer Protection Framework for deposit taking institutions and other licensees of Bank of Jamaica.

Securities (Conduct of Business) Regulations

Drafting instructions have been issued to the Chief Parliamentary Counsel for the amendment of the Securities (Conduct of Business) Regulations.

Financial Sector Adjustment Company Ltd and Financial Institutions Services Ltd

FINSAC & FIS continued the scaling down of legacy operations with two remaining staff, as follows:

- 1) Despite the impact of COVID-19, the audited financial statements for the year ended March 2021 for FIS and FINSAC were completed within schedule and submitted. The Annual General Meeting is scheduled for September 24, 2021.
- 2) A Court Order was received extending, by six months, the Order for Sale in relation to the two remaining lots (residential lot in Black River, St. Elizabeth and 16-acre farm land in Saxham, Hanover). The Order specifically required that a public auction be held and this was held on July 29, 2021 but was aborted as no bids were received. A new application has been made to the Court and a Submission has been made to Cabinet specifically for the transfer of these lots to the Commissioner of Lands. FIS continues to hold funds to compensate the joint owner for his 50% share of one of these properties.

- 3) FINSAC's 72% shareholding in Ciboney Group Limited remains unsold.
- 4) The Board has indicated that as the companies work toward eventual closure, efforts should be made to transfer the *bona vacantia* shares directly to the Accountant General. This matter is being pursued.
- 5) There are two significant litigation matters being pursued in the Courts against FINSAC, namely:
 - a) A case inherited by FINSAC against the former Eagle Commercial Bank. The claimant is appealing the matter at the Privy Council and has filed the relevant documents. A date is awaited for the hearing.
 - b) In the second matter, also Eagle-related, due to the inordinate delay of four years by the Court of Appeal to deliver its judgment in a hearing, the claimant filed an application seeking, *inter alia*, to set aside that hearing, for a new hearing to be scheduled and for Government to cover all costs to date. All three judges who heard the initial appeal have retired.

When the application was heard, the Judges ruled that the hearing was a nullity and that a date be set for a fresh appeal, but made no order for costs. The claimant has appealed to the Privy Council on the matter of costs. He has since passed and his son substituted as claimant in September 2020, but to date no further action has been taken.

- 6) FINSAC continues to liaise with Guardian Life Limited (GLL) with regard to the former Jamaica Mutual Life Staff Superannuation Schemes to seek to locate all remaining beneficiaries. In this regard, four of the five mandatory annual advertisements have been done and just over 160 beneficiaries or their next of kin are yet to be located.

Financial Investigations Division (FID)

During the review period, the Financial Investigations Division (FID) continued to pursue its mandates under the Financial Investigations Division Act and the Proceeds of Crimes Act (POCA) to take the profit out of crime. Notable achievements of the FID include:

1. Preparations for conversion from a Division of Government to a Department

As part of the fulfilment of the organisational review process, the FID reviewed and completed the job descriptions for the structure of the new Department. The job descriptions were submitted to the relevant Division in the MoFPS for analysis and approval of the structure.

2. **National Risk Assessment (NRA)**

The National Risk Assessment was completed by a BOJ-led team and can be accessed on the FID's website. The NRA seeks to assess Jamaica's money laundering and terrorism financing framework for threats and vulnerabilities.

3. **Memoranda of Understanding (MOU)**

On May 13, 2021, the Jamaica Constabulary Force (JCF) and the FID reinforced strategic partnership with the signing of a Memorandum of Understanding (MoU) aimed at strengthening both organisations' response to, among other things, money laundering, organised crime, fraud and financial crime.

4. **goAML**

The goAML platform (a global Anti Money Laundering online reporting solution) was updated in February 2021. This update saw improvements to the system such as, interrogation and analysis of data as well as advanced communication monitoring. The enhanced communication monitoring tool has assisted the FIU in complying with the relevant recommendation of the Financial Action Taskforce (FATF).

5. As of August 2021, 507 entities were registered and the FID received and processed 47,999 reports as follows:

Under POCA

- i. *Suspicious Transaction Report - 5,819*
- ii. *Threshold Transaction Report - 41,796*
- iii. *Authorised Disclosure Reports (Request to Consent) – 30*

Under TPA

- iv. *TPA compliance report - 354*

6. **Recovery Action**

The FID continued to pursue multiple actions that led to the forfeiture and disposal of assets. Pursuant to section 5 of the POCA, the Division secured a number of pecuniary penalty orders against offenders. Also, the FID continued to collaborate with key stakeholders, including the National Land Agency (NLA) for completion of sale of properties. A total of \$23m in cash was forfeited during the period.

Appendix V

Public Sector Investment Programme

Appendix 5 - Public Sector Investment Programme 2021/22 - 2025/26							
				\$'000			
PROJECTS	Funding Agency	Approved 2021/2022	Revised 2021/2022	Projection 2022/2023	Projection 2023/2024	Projection 2024/2025	Projection 2025/2026
OFFICE OF THE PRIME MINISTER							
Implementation of the National Identification System (NIDS) for Economic Growth	IDB	2,300,000	2,300,000	2,500,000	2,095,000	-	-
Youth Employment in Digital and Animation Industries	IBRD	207,500	258,500	-	-	-	-
Jamaica Disaster Vulnerability Reduction Project	IBRD	1,279,952	1,279,952	250,000	-	-	-
Poverty Reduction Project IV	EU	66,000	227,626	-	-	-	-
Jamaica Integrated Community Development Project	IBRD	200,000	200,000	-	-	-	-
Basic Needs Trust Fund (BNTF9)	CDB	684,449	684,449	-	-	-	-
Jamaica Integrated Community Development Project II	GOJ	726,246	726,246	346,200	353,800		
Rural Economic Development Initiative (REDI II)	IBRD	414,510	414,510	737,452	607,190	1,381,700	1,850,000
TOTAL OFFICE OF THE PRIME MINISTER		5,878,657	6,091,283	3,833,652	3,055,990	1,381,700	1,850,000
MINISTRY OF ECONOMIC GROWTH & JOB CREATION							
Establishment of United Nations (UN) House	GOJ	500	60,500	60,000	-	-	-
Credit Enhancement Programme for MSMEs	IDB	440,950	540,950	789,700	-	-	-
Access to Finance for MSMEs	IBRD	400,000	400,000	750,000	-	-	-
Boosting Innovation, Growth & Entrepreneurship Ecosystem	IDB	350,000	350,000	1,450,000	1,000,000	550,000	850,000
Electronic Land Titling Project	GOJ	60,000	60,000	1,227,211	1,173,955	1,129,181	207,770
Southern Coastal Highway Improvement Project	GOJ/CEXIM	17,408,064	21,893,370	19,000,000	10,000,000	-	-
Construction of Ministry of Foreign Affairs Head Office	GOJ/PRC	-	54,833	-	-	-	-
Montego Bay Perimeter Road	GOJ	1,200,000	1,200,000	6,697,863	6,950,558	-	-
Integrating Water, Land and Ecosystems Management in Caribbean Small Island Developing States (IWEco)	UNEP	70,930	150,930				
Plastic Waste Minimization Project	UNEP	32,900	32,900	-	-	-	-
Montego Bay Waterfront Protection Infrastructure (Groynes) Project	GOJ	328,000	328,000	200,000	-	-	-
Montego Bay Closed Harbour Beach Park Development Project	GOJ	91,954	91,954	-	-	-	-
TOTAL MINISTRY OF ECONOMIC GROWTH & JOB CREATION		20,383,298	25,163,437	30,174,774	19,124,513	1,679,181	-

Appendix 5 - Public Sector Investment Programme 2021/22 - 2025/26							
				\$'000			
PROJECTS	Funding Agency	Approved 2021/2022	Revised 2021/2022	Projection 2022/2023	Projection 2023/2024	Projection 2024/2025	Projection 2025/2026
MINISTRY OF FINANCE & THE PUBLIC SERVICE							
Contingency Provision - New Public Investment Projects	GOJ	8,000,000	419,195	3,433,587	35,341,934	87,451,298	92,183,820
Strategic Public Sector Transformation	IBRD	1,131,824	1,131,824	-	-	-	-
Strengthening the Institutional Capacity of Financial Services Commission (TC)	IDB	-	7,750	-	-	-	-
PPCR II - Improving Climate Data & Information Management	CIF/IBRD	95,920	187,548	-	-	-	-
Enhancing the Resilience of the Agri Sector and Coastal Areas	Adaptation Fund	400,000	300,000	323,833	-	-	-
Jamaica Foundation for Competitiveness and Growth	IBRD	650,000	650,000	110,000	-	-	-
Technical Cooperation Facility (TCF) VI	EU	39,777	110,822	-	-	-	-
Support to the Public Sector Transformation Programme	IDB	2,098,162	2,098,162	2,886,698	1,600,120	-	-
Public Sector Transformation - Support to the MoFP Transformation Programme	UNDP	-	15,500	-			
A Jamaican Path from Hills to Ocean	EU		35,000	190,000	275,000	360,000	210,000
Jamaica Business Environment Reforms Project	GOJ/IBRD		50,000	650,000	950,000	630,000	-
TOTAL MINISTRY OF FINANCE & THE PUBLIC SERVICE		12,415,683	5,005,801	7,594,118	38,167,054	88,441,298	98,559,100
MINISTRY OF HOUSING, URBAN RENEWAL, ENVIRONMENT AND CLIMATE CHANGE							
PPCR II - Adaptation Programme & Financing Mechanism	CIF/IDB	244,939	244,939	-			
Developing a Comprehensive Bush Fire Warning Index for Effective Bush Fire Management	CDB	-	1,425	-			
Green Climate Fund Readiness Support Project	Green Climate Fund	65,000	65,000	65,000			
TOTAL MINISTRY OF HOUSING, URBAN RENEWAL, ENVIRONMENT AND CLIMATE CHANGE		309,939	311,364	65,000	-	-	-
MINISTRY OF NATIONAL SECURITY							
Acquisition of Aircraft JDF	GOJ	2,336,000	2,336,000	1,437,196	2,500,000	500,000	-
Acquisition of Vehicles - JDF	GOJ	450,000	435,000	560,000	250,000	-	-
Cyber Security Initiatives		1,004,136	1,726,136				
Acquisition of Equipment - Coast Guard		1,140,000	2,236,704	1,373,856	-	-	-
Development of the Jamaica Defence Force Western Bases		375,000	419,000				
Construction of the Forensic Pathology Autopsy Suite	GOJ	309,000	309,000	220,000			
Construction of the Westmoreland Police Divisional Headquarters	GOJ	200,000	180,000	250,000			
Security Strengthening Project	IDB	666,261	666,261	1,633,363	-	-	-
TOTAL MINISTRY OF NATIONAL SECURITY		6,480,397	8,308,101	5,474,415	2,750,000	500,000	-

Appendix 5 - Public Sector Investment Programme 2021/22 - 2025/26							
				\$'000			
PROJECTS	Funding Agency	Approved 2021/2022	Revised 2021/2022	Projection 2022/2023	Projection 2023/2024	Projection 2024/2025	Projection 2025/2026
MINISTRY OF JUSTICE							
Construction and Improvement of Courthouses	GOJ	320,000	320,000	-	-	-	-
Establishment of Family Courts	GOJ	200,000	200,000	-	-	-	-
Renovation and Upgrading Works at the Clarendon Parish Court	GOJ		40,000	95,000	-	-	-
TOTAL MINISTRY OF JUSTICE		520,000	560,000	95,000	-	-	-
MINISTRY OF LABOUR & SOCIAL SECURITY							
Integrated Support to Jamaica Social Protection Strategy	IDB	81,094	169,930	-	-	-	-
TOTAL MINISTRY OF LABOUR & SOCIAL SECURITY		81,094	169,930	-	-	-	-
MINISTRY OF EDUCATION, YOUTH & INFORMATION							
Establishment of Diagnostic Centres (Special Education)	GOJ	120,000	120,000	-	-	-	-
Education Transformation Programme I	GOJ	210,000	170,000	250,000	-	-	-
Renovation & Modification of Caenwood and Heroes Circle Premises	GOJ	20,000	60,000	-	-	-	-
Promoting Quality Education and Advancing the reality of a Child Friendly Environment	UNICEF	-	1,403	-	-	-	-
Primary & Secondary School Infrastructure Project		813,000	813,000	1,100,000			
TOTAL MINISTRY OF EDUCATION, YOUTH & INFORMATION		1,163,000	1,164,403	1,350,000	-	-	-
MINISTRY OF HEALTH							
Redevelopment of the Cornwall Regional Hospital	GOJ	1,300,000	1,045,370	1,141,122	-	-	-
Western Adolescence Hospital	GOJ	125,000	125,000	3,368,600	2,902,800	-	-
Programme for Reduction of Maternal and Child Mortality (PROMAC)	EU	75,000	75,000	-	-	-	-
Support for the Health Systems Strengthening for the Prevention & Care Management of Non-Communicable Diseases Programme	IDB/GOJ	554,000	554,000	2,535,141	2,369,147	-	-
Support to the National HIV/AIDS Response in Jamaica (formerly New Funding Mechanism)	Global Fund	652,739	907,369	862,739	872,739	882,739	-
Technical support to Reduce Teenage Pregnancy	IDB	7,909	13,814	-	-	-	-
TOTAL MINISTRY OF HEALTH		2,714,648	2,720,553	7,907,602	6,144,686	882,739	-
MINISTRY OF AGRICULTURE & FISHERIES							
Bodles Redevelopment Project	GOJ	150,000	150,000	105,000	-		
Agricultural Competitiveness Programme Bridging Project	GOJ	128,730	213,730	-	-		
Promoting Community Based Climate Resilience in the Fisheries Sector	IBRD	102,322	77,322	99,642	-		
Essex Valley Irrigation Infrastructure Development Prog.	CDB	605,000	705,000	2,677,000	1,450,000		
Feasibility Studies for GOJ Public Investment Projects - South St.Catherine - South Clarendon Irrigation Feasibility Study	CDB	-	65,713	-	-		

Appendix 5 - Public Sector Investment Programme 2021/22 - 2025/26							
PROJECTS	Funding Agency	Approved 2021/2022	Revised 2021/2022	\$'000		Projection 2024/2025	Projection 2025/2026
				Projection 2022/2023	Projection 2023/2024		
Southern Plain Agricultural Development Project	CDB	300,000	201,781	1,371,228	914,905		
Soil Fertility Mapping Project	Moroccan Govt	-	28,000	65,000	85,000		
TOTAL MINISTRY OF AGRICULTURE & FISHERIES		1,286,052	1,441,546	4,317,870	2,449,905	-	-
MINISTRY OF INDUSTRY, INVESTMENT AND COMMERCE							
Global Services Skills Project	IDB	338,567	338,567	810,230	810,230		
Implementation Support for Skills Development for Global Services	IDB grant	11,130	11,130	-			
TOTAL MINISTRY OF INDUSTRY, INVESTMENT AND COMMERCE		349,697	349,697	810,230	810,230	-	-
MINISTRY OF SCIENCE, ENERGY & TECHNOLOGY							
Upgrade to the internationalPostal System Project	UPU	-	37,450				
Energy Management and Efficiency Programme	IDB	313,503	572,403	1,167,666	1,250,000	-	-
TOTAL MINISTRY OF SCIENCE, ENERGY & TECHNOLOGY		313,503	609,853	1,167,666	1,250,000	-	-
MINISTRY LOCAL GOVERNMENT & RURAL DEVELOPMENT							
Fixed Asset Acquisition - Jamaica Fire Brigade	GOJ	1,930,350	1,930,350	-	-	-	-
Improvement of Emergency Communication System in Jamaica	JICA	375,000	373,856	300,000	-	-	-
Climate Change Adaptation and Risk ReductionTechnology and Strategies to Improve Community Resilience	CDB	-	1,144	-	-	-	-
TOTAL MINISTRY LOCAL GOVERNMENT & RURAL DEVELOPMENT		2,305,350	2,305,350	300,000	-	-	-
TOTAL CENTRAL GOVERNMENT		54,201,318	54,201,318	63,090,327	73,752,378	92,884,918	94,243,820
PUBLIC ENTERPRISES - SELF-FINANCED PUBLIC BODIES							
Airport Authority of Jamaica							
NMIA Capital Development Programme (CDP)	AAJ	393,100	393,100	404,564	236,877	-	-
Shoreline Protection	AAJ	1,008,220	1,008,220	54,730	-	-	-
Aerodromes	AAJ	1,400,330	1,400,330	859,384	124,439	49,759	-
Other	AAJ	148,580	148,580	306,488	157,918	-	-
AAJ SubTotal		2,950,230	2,950,230	1,625,166	519,234	49,759	-
Betting, Gaming and Lotteries Commission							
Gaming Management Information System (GMIS)	BGLC	175,000	175,000	-	-	-	-
BGLC Sub-Total		175,000	175,000	-	-	-	-
Factories Corporation of Jamaica							
Garmex Redevelopment Project	FCJ	916,250	916,250	86,500	-	-	-
Garmex Redevelopment Project -Phase 2	FCJ	100,000	100,000	990,000	500,000	500,000	-
Boundbrook Urban Centre	FCJ	33,350	33,350	-	-	-	-
Hayes, Clarendon	FCJ	108,000	108,000	13,500	-	-	-
Morant Bay Urban Development Centre	FCJ	8,000	8,000	48,000	64,000	-	-
FCJ Sub-Total		1,165,600	1,165,600	1,138,000	564,000	500,000	-

Appendix 5 - Public Sector Investment Programme 2021/22 - 2025/26							
				\$'000			
PROJECTS	Funding Agency	Approved 2021/2022	Revised 2021/2022	Projection 2022/2023	Projection 2023/2024	Projection 2024/2025	Projection 2025/2026
Financial Services Commission							
Enterprise Information Management (Integrated Regulatory System)	FSC	80,300	80,300	60,000	60,000	-	-
FSC Sub-Total		80,300	80,300	60,000	60,000	-	-
Jamaica Urban Transit Company Limited							
Bus Refurbishing	GOJ	-	-	-	-	-	-
Bus Information and Tracking System	GOJ	-	-	-	-	-	-
Diesel and Electric Buses	GOJ	-	-	-	-	-	-
JUTC Sub-Total		-	-	-	-	-	-
National Health Fund							
W.I.P. - Construction--Western Warehouse	NHF	92,396	92,396				
Construction of Noel Holmes Hospital Pharmacy	NHF	37,714	37,714				
Construction of National Chest Hospital Rx	NHF	51,177	51,177				
NHF Sub-total		181,287	181,287	-			
National Housing Trust							
Small Contractors Programme	NHT	-	-	-	-	-	-
Cashew Grove, St. James	NHT	-	-	-	-	-	-
Colbeck Castle Ph 1 & 2	NHT	440,000	440,000	-	-	-	-
Colbeck Castle Ph 3 & 4	NHT	190,000	190,000	-	-	-	-
Friendship Phase 1	NHT	320,000	320,000	173,910	-	-	-
Friendship Phase2	NHT	-	-	143,480	750,000	1,400,000	-
Hummingbird - Sevens Phase 1	NHT	440,000	440,000	-	-	-	-
Hummingbird - Sevens Phase 2	NHT	-	-	-	-	-	-
Latium	NHT	-	-	-	-	-	-
Masemure, Westmoreland	NHT	-	-	-	-	-	-
Monymusk Phase 2	NHT	160,000	160,000	-	-	-	-
Perth Phase 2	NHT	-	-	-	-	-	-
Projects to be determined	NHT	-	-	-	775,000	1,400,000	-
Windsor	NHT	180,000	180,000	-	-	-	-
Yeast Plant, Westmoreland	NHT	-	-	113,040	-	-	-
Sub-Total		1,730,000	1,730,000	430,430	1,525,000	2,800,000	-
NHT Joint Venture							
The Villages of Colebeck Castle - Ph 1 & 2, Clarendon (Inf)	NHT	1,354,810	1,354,810	-	-	-	-
The Villages of Colebeck Castle - Ph 1 & 2, Clarendon (Housing)	NHT	-	-	34,000	-	-	-
The Villages of Colebeck Castle - Ph 3 & 4, Clarendon (Inf)	NHT	692,200	692,200	-	-	-	-
The Villages of Colebeck Castle - Ph 4, Clarendon (Housing)	NHT	-	-	-	-	-	-
The Villages of Colebeck Castle - Ph 5, Clarendon	NHT	499,340	499,340	1,014,870	435,300	69,500	-
Hague, Trelawny	NHT	-	-	-	-	-	-
Irwin, St. James	NHT	351,000	351,000	718,260	-	-	-
Estuary - Phase 1, St. James	NHT						
Estuary - Phase 2, St. James	NHT	1,800,000	1,800,000	1,391,300	-	-	-
Fontabelle, Westmoreland	NHT	-	-	-	-	-	-
Penwood, Olympic Gardens, Kingston	NHT	60,930	60,930	-	122,000	-	-
Twin Palms							
Projects to be determined	NHT	-	-	-	2,100,000	8,700,000	-
Sub-Total		4,758,280	4,758,280	3,158,430	2,657,300	8,769,500	-

Appendix 5 - Public Sector Investment Programme 2021/22 - 2025/26							
PROJECTS	Funding Agency	Approved 2021/2022	Revised 2021/2022	\$'000			
				Projection 2022/2023	Projection 2023/2024	Projection 2024/2025	Projection 2025/2026
NHT Projects - General							
<i>Albion, Manchester</i>	NHT	-	-	358,480	1,530,000	733,760	-
Anchovy, St. James	NHT	-	-	-	-	-	-
<i>Barett Hall, St. James</i>	NHT	-	-	2,781,260	3,241,080	2,160,720	-
Bromley, St. Ann	NHT	-	-	281,750	1,302,200	626,580	-
Colbeck 1 & 2 and 4 Housing	NHT			513,740	595,100	187,000	
Dry Valley - Phase 1, Trelawny	NHT	-	-	2,500,000	3,800,000	3,500,000	-
Dundee, Trelawny	NHT	-	-	18,700	300	2,500	-
Friendship - Phase 1, St. Elizabeth	NHT	-	-	-	-	-	-
Friendship - Phase 1, St. Elizabeth (Housing)	NHT	620,000	620,000	28,700	-	-	-
Friendship - Phase 2, St. Elizabeth	NHT	-	-	384,000	512,200	37,000	-
Fontabelle, Westmoreland	NHT	1,010,000	1,010,000	1,300,000	250,000	115,000	-
Galina	NHT	-	-	141,820	78,000	78,000	-
Hectors River	NHT	-	-	56,350	10,500	3,000	-
Humming Meadows Phase 1, Clarendon (Housing)	NHT	67,200	67,200	-	-	-	-
Humming Meadows Phase 2, Clarendon	NHT	1,870,000	1,870,000	233,040	-	-	-
Industry Cove, Hanover	NHT	109,990	109,990	34,780	-	-	-
Malvern, St. Elizabeth	NHT	66,930	66,930	6,200,000	-	-	-
Minard, St. Ann	NHT	-	-	394,650	283,180	-	-
Monymusk Country Estate 2, Clarendon (Housing)	NHT	843,950	843,950	85,530	-	-	-
Monymusk Glades, Clarendon Houses	NHT	29,900	29,900	-	-	-	-
Mount Nelson, Manchester	NHT	525,000	525,000	850,170	488,850	-	-
Negril Spots, Westmoreland	NHT	-	-	-	868,810	2,866,950	-
Passley Gardens, Portland	NHT	106,500	106,500	556,260	426,470	-	-
Penwood	NHT			163,270	101,100		
Perth 1a, Manchester	NHT	22,500	22,500	-	-	-	-
Perth 2, Manchester	NHT	5,200,600	5,200,600	1,002,070	-	-	-
Ridge Estate	NHT	-	-	26,090	1,200,000	1,400,000	
Ruthven Road, Phase 1, St. Andrew	NHT	433,960	433,960	26,120	-	-	-
Ruthven Road, Phase 2, St. Andrew	NHT	-	-	1,648,050	2,022,730	1,818,620	-
Salt Springs, St. James	NHT	-	-	22,000	106,000	19,500	-
Twickenham Park, Phase 4, St. Catherine	NHT	329,000	329,000	80,000	-	-	-
Vineyard Town - Central Avenue & Third Avenue	NHT	90,000	90,000	-	-	-	-
Windsor - Duncans, Trelawny	NHT	136,530	136,530	51,420	-	-	-
Projects to be determined	NHT	-	-	-	1,350,000	2,150,000	-
Sub-Total		11,462,060	11,462,060	19,738,250	18,166,520	15,698,630	-
Inner City Housing /Community Renewal Programme:					-	-	-
<i>Bellrock</i>	NHT	47,650	47,650	173,910	14,000	2,000	-
<i>Canterbury</i>	NHT	212,550	212,550	574,350	35,000	25,000	-
<i>Denham Town</i>	NHT						
Industry Pen	NHT	-	-	583,040	220,500	28,500	-
Juno Crescent	NHT						
Majesty Gardens	NHT						
Maxfield Park (Frog City)	NHT	255,000	255,000	400,000	435,000	78,000	-
Mona Commons	NHT	-	-	443,480	710,000	135,500	-
Projects to be determined	NHT			-	-	1,143,130	
Rasta City	NHT	239,550	239,550	454,350	900,500	40,000	-
St Paul's Lane	NHT	18,800	18,800	217,390	390,000	20,000	-
White Wing	NHT	130,000	130,000	446,960	290,000	30,000	-
Sub-Total		903,550	903,550	3,293,480	2,995,000	1,502,130	-

Appendix 5 - Public Sector Investment Programme 2021/ 22 - 2025/ 26							
PROJECTS	Funding Agency	\$'000					
		Approved 2021/2022	Revised 2021/2022	Projection 2022/2023	Projection 2023/2024	Projection 2024/2025	Projection 2025/2026
Sugar Housing Programme		-	-	-	-	-	-
Shewsbury, Westmoreland	NHT	-	-	-	-	-	-
Jacksonville, (Housing) Clarendon	NHT	-	-	-	-	-	-
<i>Jacksonville, Clarendon</i>	NHT	-	-	-	-	-	-
Sub-Total		-	-	-	-	-	-
NHT Sub-Total		18,853,890	18,853,890	26,620,590	25,343,820	28,770,260	-
National Water Commission				-			
Rural Water Supply Improvement	Loan	946,000	946,000	-	-	-	-
KMA Water Supply Improvement – Rio Cobre (Content) water Treatment Plant	IDB	-	-	-	-	-	-
Caribbean Regional Fund for Wastewater Management (CReW)	CReW	-	-	-	-	-	-
K-Factor Projects	Loan	1,388,460	1,388,460	-	-	-	-
In-House Capital Projects	NWC	300,000	300,000	-	-	-	-
Water Meter Installation Programme	Loan	368,500	368,500	-	-	-	-
Rehabilitation & Upgrading of Wastewater Treatment Plants	NWC	400,000	400,000				
Renewable Energy	NWC	-	-	-	-	-	-
Inhouse Capital - ICT Upgrade	Loan	-	-	-	-	-	-
Ferry to Downtown Pipeline Replacement	GOJ Loan	2,564,300	2,564,300	-	-	-	-
Greater Mandeville Water Supply	NHT Loan	500,000	500,000	-	-		-
Greater Portmore Waste Water Treatment Plant Rehabilitation	Bond	-	-	-			-
Northern Parishes Water Supply		-	-	-	-	-	-
Port Royal Distribution and Sewerage		550,000	550,000				
NWC Sub-Total		7,017,260	7,017,260	-	-	-	-
Port Authority of Jamaica				-	-	-	
Business Process Outsourcing	Loan	60,000	60,000	-	-	-	-
Logistics Project	PAJ	202,510	202,510	-	-	-	-
Monego Freeport	PAJ	250,000	250,000	265,000	-	-	-
MV Buoy Tender Jamaica 2 replacement	PAJ						
Ocho Rios Cruise Terminal	PAJ	54,540	54,540	103,000	-	-	-
Port Community System	PAJ	236,400	236,400	-	-	-	-
Port Royal Project	Loan	440,000	440,000	-	-	-	-
PAJ Sub-Total		1,243,450	1,243,450	368,000	-	-	-
Petrojam Limited					-	-	
Refinery Upgrade Project - Phase 1 (VDU)		-	-	-	-	-	
		-	-	-	-	-	
Spectrum Management Authority							
ASMS/RMDFS Equipment	SMA	254,690	254,690	-	-	-	-
Licensing Application and Integration Tool	SMA	83,950	83,950	-	-	-	-
SMA Sub-Total		338,640	338,640	-	-	-	-
Urban Development Corporation				-	-	-	-
Hellshire Sewage Treatment Plant	UDC	52,537	52,537	-	-	-	-
UDC Sub-Total		52,537	52,537	-	-	-	-
TOTAL SELF-FINANCED PUBLIC BODIES		32,058,194	32,058,194	29,811,756	26,487,054	29,320,019	-

Appendix 5 - Public Sector Investment Programme 2021/22 - 2025/26							
			\$'000				
PROJECTS	Funding Agency	Approved 2021/2022	Revised 2021/2022	Projection 2022/2023	Projection 2023/2024	Projection 2024/2025	Projection 2025/2026
TOTAL CENTRAL GOVERNMENT & SELF-FINANCED PUBLIC BODIES		86,259,512	86,259,512	92,902,083	100,239,432	122,204,937	94,243,820
PUBLIC PRIVATE PARTNERSHIPS							
Norman Manley International Airport (NMIA)	PPP	2,543,915	2,543,915	778,617	705,510	821,304	1,025,418
Ministry of Education - Schools Solar	PPP	298,081	298,081	306,080	-	-	-
National Water Commission- Rio Cobre 15MGD WTP	PPP	3,466,551	3,466,551	3,466,551	-	-	-
TOTAL PPPs		6,308,547	6,308,547	4,551,248	705,510	821,304	1,025,418
		-					
Grand TOTAL PSIP		92,568,059	92,568,059	97,453,331	100,944,942	123,026,241	95,269,238

Appendix VI

Central Government Non-Debt Expenditure Budget

Appendix 6: Central Government Non- Debt Expenditure Budget

Table 1A: Expenditure Performance (Recurrent) April - July 2021

		\$'000		
HEADS		Approved Estimates of Expenditure 2021/22	Projected Expenditure April 2021 -July 2021	Actual Expenditure April 2021 -July 2021
01000	His Excellency the Governor-General and Staff	365,934	180,582	91,882
02000	Houses of Parliament	1,293,275	379,265	380,458
03000	Office of the Public Defender	157,771	41,207	48,584
05000	Auditor General	933,587	313,307	293,701
06000	Office of the Services Commissions	371,134	124,675	102,357
07000	Office of the Children's Advocate	202,377	59,091	54,903
08000	Independent Commission of Investigations	545,570	203,096	186,358
09000	Integrity Commission	923,650	470,409	206,101
15000	Office of the Prime Minister	6,061,831	2,238,011	2,175,400
15010	Jamaica Information Service	645,506	215,963	208,638
15020	Registrar General Department	614,065	178,986	244,694
16000	Office of the Cabinet	509,457	189,368	134,735
16049	Management Institute for National Development	268,218	89,428	80,858
17000	Ministry of Tourism	10,914,460	3,609,365	3,508,887
19000	Ministry of Economic Growth and Job Creation	8,272,995	4,622,677	5,199,875
19047	National Land Agency	783,237	285,054	266,924
19048	National Environment and Planning Agency	1,091,060	387,548	353,269
19050	National Works Agency	819,968	273,339	269,560
20000	Ministry of Finance & the Public Service	35,684,287	10,789,876	12,445,272
20011	Accountant General	1,352,960	330,431	290,377
20012	Customs Department	-	-	2,155,090
20019	Pensions	38,106,556	12,650,000	12,567,977
20056	Tax Administration Jamaica	12,445,614	4,080,742	4,212,332
21000	Ministry of Housing, Urban Renewal Environment and Climate Change	1,622,970	440,000	295,918

Appendix 6: Central Government Non- Debt Expenditure Budget
Table 1A: Expenditure Performance (Recurrent) April - July 2021

			\$'000	
21046	Forestry Department	1,085,879	364,874	355,472
26000	Ministry of National Security	30,412,810	11,294,724	10,177,340
26022	Police Department	40,973,650	14,240,881	14,128,450
26024	Department of Correctional Services	8,413,524	2,846,881	2,847,456
26053	Passport, Immigration and Citizenship Agency	844,276	581,428	481,428
26057	Institute of Forensic Science and Legal Medicine	858,260	287,365	264,454
28000	Ministry of Justice	2,205,448	772,110	631,858
28025	Director of Public Prosecutions	477,511	157,274	153,037
28030	Administrator General	370,356	124,817	127,134
28031	Attorney General	1,156,203	472,109	480,623
28033	Office of the Parliamentary Counsel	135,098	40,531	41,424
28052	Legal Reform Department	82,265	25,196	24,043
28058	Judiciary	4,676,768	1,712,752	1,423,766
30000	Ministry of Foreign Affairs and Foreign Trade	4,475,380	1,560,949	1,569,512
40000	Ministry of Labour and Social Security	13,652,216	5,945,245	4,729,276
41000	Ministry of Education, Youth and Information	114,502,724	39,436,542	38,139,941
41051	Child Development Agency	2,890,277	988,692	922,304
42000	Ministry of Health and Wellness	84,600,588	33,434,576	28,276,580
42034	Bellevue Hospital	1,896,665	457,669	598,146
42035	Government Chemist	61,395	21,952	18,049
46000	Ministry of Culture, Gender, Entertainment and Sport	3,649,902	1,309,400	1,100,235
51000	Ministry of Agriculture and Fisheries	8,358,456	2,896,484	2,909,306
53000	Ministry of Industry, Investment & Commerce	3,388,968	1,193,432	1,126,753
56000	Ministry of Science, Energy & Technology	6,010,587	1,987,583	1,285,933
56039	Post and Telecommunications Department	2,234,490	777,305	775,579
68000	Ministry of Transport and Mining	11,496,748	3,799,851	3,602,301
72000	Ministry of Local Government and Rural Development (formerly Ministry of Local Government & Community Development)	14,163,177	4,736,997	4,557,059
SUB TOTAL ABOVE THE LINE		487,060,103	173,620,039	166,521,609

Appendix 6 - Central Government Non- Debt Expenditure					
Table 1B Expenditure Performance (Capital) April - July 2021					
		\$'000			
HEAD: Name & Number		FUNDING SOURCE	Approved Budget '2021/2022	Projected April - July 2021	Actual April - July 2021
OFFICE OF THE PRIME MINISTER					
29452	Jamaica Integrated Community Devt Project	IBRD	200,000	130,667	84,903
29469	Youth Employment in Digital and Creative Industries	IBRD	207,500	207,500	109,893
29471	Poverty Reduction Project IV	EU	66,000	66,000	51,600
29488	Jamaica Disaster Vulnerability Reduction Project	IBRD	1,279,952	265,351	265,351
29532	National Identification System (NIDS) Project	IDB	2,300,000	93,120	93,120
29534	Basic Needs Trust Fund (BNTF9)	CDB	684,449	64,659	64,659
29564	Rural Development Initiative II	IBRD	414,510	39,242	39,242
29567	Jamaica Integrated Community Development Project II	GOJ	726,246	187,395	187,395
TOTAL OFFICE OF THE PRIME MINISTER			5,878,657	1,053,934	896,163
MINISTRY OF ECONOMIC GROWTH & JOB CREATION					
22068	Establishment of United Nations House	GOJ	500	-	-
22726	Electronic Land Titling Project	GOJ	60,000	-	-
29501	Southern Coastal Highway Improvement Project	GOJ/ CEXIM	17,408,064	11,937,572	11,561,052
29505	Inegrated Water, Land and Ecosystems Mgmt in C'bean Small Island Developing States (IWeco)	GOJ/GEF	70,930	39,459	39,459
29537	Credit Enhancement Programme for MSMEs	IDB	440,950	439,201	439,201
29548	Plastic Waste Minimization Project	IDB	32,900	6,095	6,095
29550	Access to Finance for MSMEs	IBRD	400,000	195,073	195,073
29555	Montego Bay Perimeter Road	GOJ	1,200,000	0	-
29557	Montego Bay Waterfront Protection Infrastructure (Groynes) Project	GOJ	328,000	40,000	40,000
29558	Montego Bay Closed Harbour Beach Park Development Project	GOJ	91,954	40,000	40,000
29565	Boosting Innovation, Growth and Entrepreneurship Ecosystem	IDB	350,000	6,611	826
29083	Ministry of Foreign Affairs Head Office	GOJ/PRC		0	-
TOTAL ECONOMIC GROWTH & JOB CREATION		0	20,383,298	12,704,011	12,321,706

Appendix 6 - Central Government Non- Debt Expenditure					
Table 1B Expenditure Performance (Capital) April - July 2021					
			\$'000		
MINISTRY OF FINANCE & THE PUBLIC SERVICE					
21686	Contingency - Public Investment Management System	GOJ	8,000,000	0	-
29394	PPCR II - Improving Climate Data & Information Management	CIF/IBRD	95,920	26,508	26,508
29399	Enhancing the Resilience of the Agri Sector and Coastal Areas	Adaptation Fund	400,000	58,660	58,656
29462	Jamaica Foundation for Competitiveness and Growth	IBRD	650,000	84,560	64,532
29463	Strategic Public Sector Transformation	IBRD	1,131,824	346,443	147,385
29512	Technical Cooperation Facility (TCF) VI	EU	39,777	39,777	39,777
29536	Support to the Public Sector Transformation Programme	IDB	2,098,162	397,496	270,959
29531	Strengthening the Institutional Capacity of Financial Services Commission (TC)	IDB		0	
TOTAL MINISTRY OF FINANCE & THE PUBLIC SERVICE		0	12,415,683	953,444	607,817
HOUSING, URBAN RENEWAL, ENVIRON CLIMATE CHANGE					
29475	Pilot Programme for Climate Resilience II (PPCRII)- Adaptation Programme and Financing Mechanism	GOJ/IBD	244,939	44,648	40,932
29564	Green Climate Readiness Support		65,000	0	-
29513	Developing a Comprehensive Bush Fire Warning Index for Effective Bush Fire Management	GOJ/CDB	0	0	-
HOUSING, URBAN RENEWAL, ENVIRON ,CLIMATE CHANGE		0	309,939	44,648	40,932
MINISTRY OF NATIONAL SECURITY					
20592	Purchase /Overhaul of Aircraft	GOJ	2,336,000	2,284,000	2,179,537
20596	Cyber Security Initiative	GOJ	1,004,136	1,003,136	1,003,461
21424	Acquisition of Vehicles - JDF	GOJ	450,000	161,000	231,991
21431	Purchase and Overhaul Of Ships/ Coastal Surveillance	GOJ	1,140,000	1,140,000	447,443
22721	Development of the Jmaica Defence Force Western Bases	GOJ	375,000	365,000	83,945
22724	Construction of The Forensic Pathology Autopsy Suite	GOJ	309,000	0	208
22725	Construction of Westmoreland Police Divisional Headquarters	GOJ	200,000	2,547	86,592
29538	Security Strengthening Project	IDB	666,261	0	-
TOTAL MINISTRY OF NATIONAL SECURITY		0	6,480,397	4,955,683	4,033,177

Appendix 6 - Central Government Non- Debt Expenditure					
Table 1B Expenditure Performance (Capital) April - July 2021					
			\$'000		
MINISTRY OF JUSTICE					
21513	Construction and Improvement of Courthouses	GOJ	320,000	53,000	62,496
22727	Establishment of Family Courts	GOJ	200,000	82,500	70,125
TOTAL MINISTRY OF JUSTICE			520,000	135,500	132,621
MINISTRY OF LABOUR & SOCIAL SECURITY					
29487	Integrated Support to Jamaica Social Protection Strategy	IDB	81,094		-
TOTAL MINISTRY OF LABOUR & SOCIAL SECURITY			0	81,094	0
MINISTRY OF EDUCATION, YOUTH & INFORMATION					
20775	Renovation & Modification of Caenwood Office and Heroes Circle Premises	GOJ	20,000	10,000	9,966
20778	Education Transformation Programme I	GOJ	210,000	2,000	1,677
20780	Establishment of Diagnostic Centres (Special Ed	GOJ	120,000	35,000	35,000
29566	Primary and Secondary Scjol Infrastructure Project	GOJ	813,000	34,321	33,686
29419	Promoting Quality Education & Advancing Reality of Child Friendly Environment	UNICEF		0	-
TOTAL MINISTRY OF EDUCATION, YOUTH & INFORMATION			0	1,163,000	81,321
MINISTRY OF HEALTH					
29430	Programme for Reduction of Maternal and Child Mortality (PROMAC)	EU	75,000	67,220	67,220
29481	Support to the National HIV/AIDS Response in Jamaica (formerly New Funding Mechanism)	Global Fund	652,739	129,466	129,466
29521	Technical support to Reduce Teenage Pregnancy	IDB	7,909	0	-
29540	Western Adolescence Hospital	GOJ	125,000	42,333	42,333
29552	Prevention & Care Management of Non-Communicable Diseases Programme	IDB/GOJ	554,000	0	-
29568	Cornwall Regional Hospital Restoration; Western Children Hospital	GOJ	1,300,000	325,000	186,254
Total MINISTRY OF HEALTH			0	2,714,648	564,019
MINISTRY OF AGRICULTURE AND FISHERIES					
20172	Rehabilitationonn of Research Centres	GOJ	150,000	58,179	55,208
22066	Agricultural Competitiveness Prog Bridging Project	GOJ	128,730	31,356	37,055
29480	Promoting Community Based Climate Resilience - Fisheries Sector	IDRB	102,322	16,942	16,942
29510	Essex Valley Irrigation Infrastructurre Devt Prog	GOJ/CDB	605,000	129,107	131,775
29562	Southern Plains Agricultural Development Project		300,000	31,685	31,686
29560	South St.Catherine/South Clarendon Irrigation Feasibility	CDB		0	-
New	Soil Fertility Mapping Project	Morocco		0	
TOTAL MINISTRY OF AGRICULTURE AND FISHERIIES			0	1,286,052	267,269

Appendix 6 - Central Government Non- Debt Expenditure					
Table 1B Expenditure Performance (Capital) April - July 2021					
			\$'000		
MINISTRY OF INDUSTRY, INVESTMENT AND COMMERCE					
29549	Support for Skills Development for Global Services	IADB	11,130	625	625
29554	Global Services Skills Project	GOJ	338,567	55,042	55,042
TOTAL INDUSTRY, INVESTMENT AND COMMERCE		0	349,697	55,667	55,667
MINISTRY OF SCIENCE, ENERGY & TECHNOLOGY					
29533	Energy Management and Efficiency Programme	IDB/eu/jica	313,503	60,083	60,083
29489	Upgrade to the international Postal System Project	UPU		0	-
Total MINISTRY OF SCIENCE, ENERGY & TECHNOLOGY		0	313,503	60,083	60,083
LOCAL GOVERNMENT & COMMUNITY DEVELOPMENT					
20528	Fixed Asset Acquisition - Jamaica Fire Brigade	GOJ	1,930,350	1,930,350	1,851,627
29509	Improvement of Emergency Communication System in Jamaica	JICA	375,000	20,951	17,275
					-
TOTAL MINISTRY OF LOCAL GOVERNMENT & COMMUNITY DEVELOPMENT		0	2,305,350	1,951,301	1,868,902
			.		
GRAND TOTAL CAPITAL C			54,201,318	22,826,880	20,795,336

Appendix 6: Central Government Non- Debt Expenditure						
Table 2A- First Supplementary Estimates 2021/22 (Recurrent)			\$'000			
HEADS		Approved Estimates 2021/2022	SUPPLEMENTARY			Approved New Estimates 2021/2022
			Additional	Reduction	Net Increase / Decrease	
01000	His Excellency the Governor-General and Staff	365,934.0	64,829.0	-	64,829.0	430,763.0
02000	Houses of Parliament	1,293,275.0	3,738.0	-	3,738.0	1,297,013.0
			-			
03000	Office of the Public Defender	157,771.0	4,173.0	-	4,173.0	161,944.0
			-			
05000	Auditor General	933,587.0	4,744.0	-	4,744.0	938,331.0
			-			
06000	Office of the Services Commissions	371,134.0	-	-		371,134.0
			-			
07000	Office of the Children's Advocate	202,377.0	13,392.0	-	13,392.0	215,769.0
			-			
08000	Independent Commission of Investigations	545,570.0	4,605.0	-	4,605.0	550,175.0
			-			
09000	Integrity Commission	923,650.0	278,378.0	58,572.0	219,806.0	1,143,456.0
			-			
15000	Office of the Prime Minister	6,061,831.0	379,300.0	1,300.0	378,000.0	6,439,831.0
			-			
15010	Jamaica Information Service	645,506.0	-		-	645,506.0
			-			
15020	Registrar General's Department and Island Records Office	614,065.0	-		-	614,065.0
			-			
16000	Office of the Cabinet	509,457.0	11,700.0	11,700.0	-	509,457.0
			-			
16049	Management Institute for National Development	268,218.0	-		-	268,218.0
			-			
17000	Ministry of Tourism	10,914,460.0	13,344.0	50,000.0	(36,656.0)	10,877,804.0
			-		-	
19000	Ministry of Economic Growth and Job Creation	8,272,995.0	1,756,290.0	106,005.0	1,650,285.0	9,923,280.0
			-			
19047	National Land Agency	783,237.0	-	-	-	783,237.0
			-			
19048	National Environment and Planning Agency	1,091,060.0	7,865.0	-	7,865.0	1,098,925.0
			-			
19050	National Works Agency	819,968.0	-		-	819,968.0
			-			
20000	Ministry of Finance and the Public Service	52,958,547.0	7,856,369.0	123,400.0	7,732,969.0	60,691,516.0
			-			
20011	Accountant General	1,352,960.0	-		-	1,352,960.0
			-			
20012	Jamaica Customs Agency	-	-		-	-
			-			

Appendix 6: Central Government Non- Debt Expenditure						
Table 2A- First Supplementary Estimates 2021/ 22 (Recurrent)			\$'000			
	HEADS	Approved Estimates 2021/2022	SUPPLEMENTARY			Approved New Estimates 2021/2022
			Additional	Reduction	Net Increase / Decrease	
01000	His Excellency the Governor-General and Staff	365,934.0	64,829.0	-	64,829.0	430,763.0
02000	Houses of Parliament	1,293,275.0	3,738.0	-	3,738.0	1,297,013.0
			-			
03000	Office of the Public Defender	157,771.0	4,173.0	-	4,173.0	161,944.0
			-			
05000	Auditor General	933,587.0	4,744.0	-	4,744.0	938,331.0
			-			
06000	Office of the Services Commissions	371,134.0	-	-		371,134.0
			-			
07000	Office of the Children's Advocate	202,377.0	13,392.0	-	13,392.0	215,769.0
			-			
08000	Independent Commission of Investigations	545,570.0	4,605.0	-	4,605.0	550,175.0
			-			
09000	Integrity Commission	923,650.0	278,378.0	58,572.0	219,806.0	1,143,456.0
			-			
15000	Office of the Prime Minister	6,061,831.0	379,300.0	1,300.0	378,000.0	6,439,831.0
			-			
15010	Jamaica Information Service	645,506.0	-		-	645,506.0
			-			
15020	Registrar General's Department and Island Records Office	614,065.0	-		-	614,065.0
			-			
16000	Office of the Cabinet	509,457.0	11,700.0	11,700.0	-	509,457.0
			-			
16049	Management Institute for National Development	268,218.0	-		-	268,218.0
			-			
17000	Ministry of Tourism	10,914,460.0	13,344.0	50,000.0	(36,656.0)	10,877,804.0
			-		-	
19000	Ministry of Economic Growth and Job Creation	8,272,995.0	1,756,290.0	106,005.0	1,650,285.0	9,923,280.0
			-			
19047	National Land Agency	783,237.0	-	-	-	783,237.0
			-			
19048	National Environment and Planning Agency	1,091,060.0	7,865.0	-	7,865.0	1,098,925.0
			-			
19050	National Works Agency	819,968.0	-		-	819,968.0
			-			
20000	Ministry of Finance and the Public Service	52,958,547.0	7,856,369.0	123,400.0	7,732,969.0	60,691,516.0
			-			
20011	Accountant General	1,352,960.0	-		-	1,352,960.0

Appendix 6: Central Government Non- Debt Expenditure						
Table 2A- First Supplementary Estimates 2021/ 22 (Recurrent)			\$'000			
	HEADS	Approved Estimates 2021/2022	SUPPLEMENTARY Expenditure			Approved New Estimates 2021/2022
			Additional	Reduction	Net Increase / Decrease	
20012	Jamaica Customs Agency	-	-	-	-	-
20017	Public Debt Servicing (Amortisation)	146,258,500.0	2,412,699.0	-	2,412,699.0	148,671,199.0
20018	Public Debt Servicing (Interest Charges)	125,986,706.0	5,470,113.0	-	5,470,113.0	131,456,819.0
20019	Pensions	38,106,556.0	350,199.0	378,699.0	(28,500.0)	38,078,056.0
20056	Tax Administration Jamaica	12,445,614.0	733,398.0	-	733,398.0	13,179,012.0
21000	Ministry of Housing, Urban Renewal, Environment and Climate Change	1,622,970.0	191,781.0	17,363.0	174,418.0	1,797,388.0
21046	Forestry Department	1,085,879.0	60,000.0	-	60,000.0	1,145,879.0
26000	Ministry of National Security	30,412,810.0	975,663.0	-	975,663.0	31,388,473.0
26022	Police Department	40,973,650.0	1,753,454.0	38,000.0	1,715,454.0	42,689,104.0
26024	Department of Correctional Services	8,413,524.0	264,000.0	4,000.0	260,000.0	8,673,524.0
26053	Passport, Immigration and Citizenship Agency	844,276.0	55,763.0	-	55,763.0	900,039.0
26057	Institute of Forensic Science and Legal Medicine	858,260.0	4,145.0	-	4,145.0	862,405.0
28000	Ministry of Justice	2,205,448.0	180,357.0	10,357.0	170,000.0	2,375,448.0
28025	Director of Public Prosecutions	477,511.0	17,500.0	-	17,500.0	495,011.0
28030	Administrator General	370,356.0	-	-	-	370,356.0
28031	Attorney General	1,156,203.0	4,300.0	4,300.0	-	1,156,203.0
28033	Office of the Parliamentary Counsel	135,098.0	1,800.0	-	1,800.0	136,898.0
28052	Legal Reform Department	82,265.0	1,800.0	-	1,800.0	84,065.0
28058	Judiciary	4,676,768.0	474,122.0	62,532.0	411,590.0	5,088,358.0

Appendix 6: Central Government Non- Debt Expenditure						
Table 2A- First Supplementary Estimates 2021/ 22 (Recurrent)			\$'000			
	HEADS	Approved Estimates 2021/2022	SUPPLEMENTARY Expenditure			Approved New Estimates 2021/2022
			Additional	Reduction	Net Increase / Decrease	
30000	Ministry of Foreign Affairs and Foreign Trade	4,475,380.0	17,794.0	4,794.0	13,000.0	4,488,380.0
			-			
40000	Ministry of Labour and Social Security	13,652,216.0	1,256,004.0	-	1,256,004.0	14,908,220.0
41000	Ministry of Education, Youth and Information	114,502,724.0	1,465,004.0	893,719.0	571,285.0	115,074,009.0
			-			
41051	Child Protection and Family Services Agency	2,890,277.0	100,072.0	-	100,072.0	2,990,349.0
			-			
42000	Ministry of Health and Wellness	84,600,588.0	10,283,128.0	-	10,283,128.0	94,883,716.0
42034	Bellevue Hospital	1,896,665.0	12,107.0	-	12,107.0	1,908,772.0
			-			
42035	Government Chemist	61,395.0	-		-	61,395.0
46000	Ministry of Culture, Gender, Entertainment and Sports	3,649,902.0	195,020.0	7,335.0	187,685.0	3,837,587.0
			-			
51000	Ministry of Agriculture and Fisheries	8,358,456.0	341,053.0	17,202.0	323,851.0	8,682,307.0
			-			
53000	Ministry of Industry, Investment and Commerce	3,388,968.0	113,389.0	10,000.0	103,389.0	3,492,357.0
			-			
53038	The Companies Office of Jamaica	-	141,515.0	-	141,515.0	141,515.0
			-			
56000	Ministry of Science, Energy and Technology	6,010,587.0	99,452.0	99,452.0	-	6,010,587.0
			-			
56039	Post and Telecommunications Department	2,234,490.0	3,000.0	3,000.0	-	2,234,490.0
			-			
68000	Ministry of Transport and Mining	11,496,748.0	195,827.0	-	195,827.0	11,692,575.0
			-			
72000	Ministry of Local Government and Rural Development	14,163,177.0	837,616.0	14,027.0	823,589.0	14,986,766.0
TOTAL RECURRENT		776,579,569.0	38,410,802.0	1,915,757.0	36,495,045.0	813,074,614.0

Appendix 6: Central Government Non- Debt Expenditure						
Table 2B- First Supplementary Estimates 2021/22 (Capital)				\$'000		
Head No.	Heads	Approved Estimates 2021/2022	SUPPLEMENTARY			Approved New Estimates
			Additional	Savings or Under Expenditure	Net Increases / Decrease	
CAPITAL						
15000C	Office of the Prime Minister	5,878,657.0	212,626.0	-	212,626.0	6,091,283.0
16000C	Office of the Cabinet	-	-		-	-
19000C	Ministry of Economic Growth and Job Creation	20,383,298.0	4,793,139.0	13,000.0	4,780,139.0	25,163,437.0
20000C	Ministry of Finance and the Public Service	12,415,683.0	270,932.0	7,680,814.0	(7,409,882.0)	5,005,801.0
21000C	Ministry of Housing, Urban Renewal, Environment and Climate Change	309,939.0	1,425.0	-	1,425.0	311,364.0
26000C	Ministry of National Security	6,480,397.0	1,862,704.0	35,000.0	1,827,704.0	8,308,101.0
28000C	Ministry of Justice	520,000.0	40,000.0	-	40,000.0	560,000.0
40000C	Ministry of Labour and Social Security	81,094.0	88,836.0	-	88,836.0	169,930.0
41000C	Ministry of Education, Youth and Information	1,163,000.0	41,403.0	40,000.0	1,403.0	1,164,403.0
42000C	Ministry of Health and Wellness	2,714,648.0	260,535.0	254,630.0	5,905.0	2,720,553.0
51000C	Ministry of Agriculture and Fisheries	1,286,052.0	278,713.0	123,219.0	155,494.0	1,441,546.0
53000C	Ministry of Industry, Investment and Commerce	349,697.0	-	-	-	349,697.0
56000C	Ministry of Science, Energy and Technology	313,503.0	296,350.0	-	296,350.0	609,853.0
72000C	Ministry of Local Government and Rural Development	2,305,350.0	1,144.0	1,144.0	-	2,305,350.0
	TOTAL CAPITAL	54,201,318.0	8,147,807.0	8,147,807.0	-	54,201,318.0
	TOTAL RECURRENT AND CAPITAL	830,780,887.0	46,558,609.0	10,063,564.0		867,275,932.0

Appendix 6: Central Government Non- Debt Expenditure						
Table 3A - Medium Term Expenditure Projections (Recurrent)						
			\$'000			
HEADS	Original Approved 2021/22	First Supplementary Estimates 2021/22	Projection 2022/23	Projection 2023/24	Projection 2024/25	Projection 2025/26
His Excellency the Governor-General and Staff	365,934	430,763	382,043	396,491	411,604	427,415
Houses of Parliament	1,293,275	1,297,013	1,334,391	1,376,791	1,420,925	1,466,866
Office of the Public Defender	157,771	161,944	163,910	168,603	173,501	178,615
Auditor General	933,587	938,331	967,106	996,926	1,028,207	1,061,044
Office of the Services Commissions	371,134	371,134	609,157	627,465	646,839	667,358
Office of the Children's Advocate	202,377	215,769	225,082	230,598	236,440	242,543
Independent Commission of Investigations	545,570	550,175	706,018	726,500	747,890	770,234
Integrity Commission	923,650	550,175	958,466	988,444	1,019,792	1,052,576
Office of the Prime Minister	6,061,831	6,439,831	6,340,580	6,616,040	6,905,241	7,207,011
Jamaica Information Service	645,506	645,506	664,758	682,879	701,395	720,886
Registrar General Department	614,065	614,065	627,037	640,427	654,384	668,795
Office of the Cabinet	509,457	509,457	527,153	542,508	558,033	574,165
Management Institute for National Development	268,218	268,218	274,923	281,797	288,841	296,062
Ministry of Tourism	10,914,460	10,877,804	11,454,724	11,982,075	12,539,860	13,130,065
Ministry of Economic Growth and Job Creation	8,272,995	9,923,280	5,764,311	5,979,156	6,206,081	6,443,824
National Land Agency	783,237	783,237	806,357	830,235	854,898	880,376
National Environment and Planning Agency	1,091,060	1,098,925	1,121,336	1,153,633	1,188,182	1,225,245
National Works Agency	819,968	819,968	839,241	858,997	876,866	895,181
Ministry of Finance & the Public Service	35,684,287	60,691,516	77,389,940	103,210,826	124,005,225	151,202,514
Accountant General	1,352,960	1,352,960	1,410,584	1,470,935	1,534,326	1,600,921
Customs Department	-	-	-	-	-	-
Pensions	38,106,556	38,078,056	40,011,884	42,012,478	44,113,102	46,318,757
Tax Administration Jamaica	12,445,614	13,179,012	13,067,895	13,721,289	14,407,354	15,127,722

Appendix 6: Central Government Non- Debt Expenditure						
Table 3A - Medium Term Expenditure Projections (Recurrent)						
HEADS	Original Approved 2021/22	First Supplementary Estimates 2021/22	Projection 2022/23	Projection 2023/24	Projection 2024/25	Projection 2025/26
Ministry of Housing, Urban Renewal, Environment and Climate Change	1,622,970	1,797,388	1,855,612	1,934,604	2,019,195	2,109,948
Forestry Department	1,085,879	1,145,879	978,675	995,155	1,023,650	1,049,740
Ministry of National Security	30,412,810	31,388,473	30,989,817	31,586,402	32,203,295	32,841,258
Police Department	40,973,650	42,689,104	42,369,578	43,351,187	44,369,959	45,427,444
Department of Correctional Services	8,413,524	8,673,524	8,662,659	8,890,049	9,126,042	9,371,008
Passport, Immigration and Citizenship Agency	844,276	900,039	862,819	957,887	982,906	1,008,954
Institute of Forensic Science and Legal Medicine	858,260	862,405	889,422	921,970	955,971	991,491
Ministry of Justice	2,205,448	2,375,448	2,485,363	2,584,175	2,713,522	2,753,558
Director of Public Prosecutions	477,511	495,011	487,721	503,731	520,934	536,709
Administrator General	370,356	370,356	382,438	393,226	404,420	416,380
Attorney General	1,156,203	1,156,203	1,320,942	1,379,792	1,441,439	1,506,202
Office of the Parliamentary Counsel	135,098	136,898	141,434	145,324	149,013	153,451
Legal Reform Department	82,265	84,065	83,691	85,825	88,051	89,794
Judiciary	4,676,768	5,088,358	5,282,379	5,437,589	5,601,725	5,772,155
Ministry of Foreign Affairs and Foreign Trade	4,475,380	4,488,380	4,572,731	4,672,115	4,775,878	4,883,522
Ministry of Labour and Social Security	13,652,216	14,908,220	13,699,169	13,903,818	14,117,586	14,340,901
Ministry of Education, Youth and Information	114,502,724	115,074,009	115,201,320	117,020,617	118,882,205	120,807,733
Child Protection and Family Services Agenc	2,890,277	2,990,349	2,991,397	3,095,835	3,206,070	3,321,213
Ministry of Health and Wellness	84,600,588	94,883,716	89,231,652	88,486,653	88,075,284	86,172,890
Bellevue Hospital	1,896,665	1,908,772	1,963,796	2,018,197	2,073,672	2,132,308
Government Chemist	61,395	61,395	63,643	65,611	67,733	69,937
Ministry of Culture, Gender, Entertainment and Sport	3,649,902	3,837,587	3,679,008	3,799,782	3,925,622	4,056,824
Ministry of Agriculture and Fisheries	8,358,456	8,682,307	9,251,660	9,562,447	9,888,941	10,230,297
Ministry of Industry, Investment & Commerce	3,388,968	3,492,357	3,471,770	3,591,179	3,719,912	3,858,813
The Companies Office of Jamaica		141,515				
Ministry of Science, Energy & Technology	6,010,587	6,010,587	4,380,630	4,524,265	4,674,683	4,831,615
Post and Telecommunications Department	2,234,490	2,234,490	2,330,792	2,392,585	2,456,459	2,520,134
Ministry of Transport and Mining	11,496,748	11,692,575	12,035,126	12,593,785	13,186,402	13,808,189
Ministry of Local Government and Rural Development	14,163,177	14,986,766	14,069,001	14,506,258	14,974,969	17,869,662
			-	-	-	-
Total Non-Debt Recurrent	487,060,103	532,353,315	539,381,142	574,895,157	606,144,522	645,090,305