

# THE CITIZEN'S GUIDE TO THE 2022-2023

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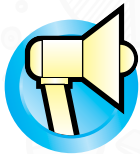
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## MESSAGE FROM THE MINISTER OF FINANCE AND THE PUBLIC SERVICE



**T**his Citizens' Guide to the 2022/23 Central Government Budget (the "Citizens' Guide") sets out, in a user-friendly format, a summary of the Central Government Budget (the "Budget") for the upcoming fiscal year, **April 1, 2022 to March 31, 2023 (the "Fiscal Year")**. The Budget is the principal policy document of the Government of Jamaica ("GOJ"). It contains the planned programme of expenditure for the **Fiscal Year** along with a projection of the sources of revenue. In publishing the **Citizens' Guide** we hope to broaden public understanding of the **GOJ's** finances and provide the foundation for rational discourse.

After a historic economic contraction in **2020/21**, brought on by the **COVID-19** pandemic, the Jamaican economy has thus far rebounded with strong momentum in **2021/22**. After triggering the escape clause in Jamaica's fiscal rules in **2020/21**, the **GOJ** returned to the parameters prescribed by the fiscal rules in **2021/22**. As such, not only has Jamaica begun a strong economic recovery but also our **debt-to-GDP ratio** has declined from **109.7%** as at **March 31, 2021** to a projected **96.3%** as at **March 31, 2022**, a significant decline over a 12 month period.

The maintenance of stability through the crisis has been crucial to achieving swift economic improvement. As we emerge from the pandemic we must rebuild buffers and reprioritise expenditure. Though **GOJ** budgetary finances in

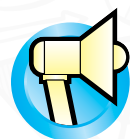
**2022/23** will not benefit from a one-off dividend of **\$32 Billion**, as it did in the **2021/22 fiscal year**, it is crucial that we return capital expenditure to pre-pandemic levels in the shortest possible time. As such the Budget increases growth inducing capital expenditure by **20%** over the Revised Estimates for the current fiscal year.

The Government will prioritise the restructuring of public sector compensation which will likely be phased in over a three-year period with the aims of simplifying compensation, improving fairness and equity, introducing performance pay, ensuring we can attract and retain the talent we need while ensuring fiscal sustainability.

By publishing the main highlights of the programme of revenue and expenditure, well in advance of the opening budget presentation, we do consciously "steal some of its thunder". However, the society benefits greatly from this exercise in fiscal transparency, which we aim to continue and improve on in years to come.

This year, for the first time, the **Citizens' Guide** will also be published on social media broadening its reach and accessibility. The Ministry of Finance and the Public Service welcomes your feedback to the **Citizens' Guide to the 2022/23 Central Government Budget**.

**Nigel Clarke, DPhil, MP**  
Minister of Finance and the Public Service



## MESSAGE FROM THE FINANCIAL SECRETARY



As fiscal year **2021/22** approaches closure, we reflect on the activities during the year, on the achievements and also on the delays, building on the lessons learnt to inform plans for the future.

The Government continued throughout **FY 2021/22** to address the impact of the **Coronavirus Disease 2019 (COVID-19)** on the Jamaican economy. In terms of the financial perspective, resources were allocated to ensure the acquisition of sufficient levels of vaccines to achieve herd immunity as early as possible. Resources were also directed at continuing the support of employees and businesses impacted by the pandemic alongside efforts to fast track recovery from the pandemic. Encouraging those most at risk from **COVID-19 (60 and over)** to become vaccinated was also targeted through the provision of a financial vaccine incentive.

Initial indications are that the country has achieved a significant proportion of the programmed objectives under the **SERVE Jamaica Programme**, with the acquisition of sufficient levels of vaccines to address demand, and disbursement of the resources allocated for **COVID-19** related social protection and vaccine incentive.

With the country expected to record growth of **7.9%** for **FY 2021/22**, and unemployment down to **7.1%** at **end-October 2021**, it is clear that recovery is well underway.

The budget for **FY 2022/23** therefore builds on these positive results to continue the recovery process while returning to the pre-pandemic medium term programme which envisioned not only investment in capital expenditure but also investment in labour. The **FY 2022/23** budget therefore provides for a real increase in allocations to both capital programmes and the compensation of employees. The Government will during **FY 2022/23** commence the process to align public service compensation with market in an effort to attract and retain the skillsets required to facilitate achievement of the vision to make Jamaica the place of choice to live, work, raise families and do business.

This **Citizens Guide to the FY 2022/23 Budget** provides a summary of the programmes to be undertaken during the fiscal year to ensure that all citizens are aware of the activities to be implemented in pursuit of the country's growth and development.

**Darlene Morrison**  
Financial Secretary





## PART I - KEY ACHIEVEMENTS OF FISCAL YEAR 2021/2022

**T**he Jamaican economy is showing signs of recovery from the impact of the **COVID-19** pandemic. Real growth of **9.9%** was recorded for the period **April to September 2021**.

Unemployment levels are declining. In **October 2021**, **7.1%** of the labour force was recorded as being

unemployed. This is **3.6 percentage points** below the **10.7%** recorded for **October 2020**.

The Government continued its social protection response to the economic impact of the **COVID-19 pandemic** with the allocation of **\$11.1 Billion** through the **COVID Allocation of Resources to Employees (CARE)**

**Programme** which represented one element of the **Social and Economic Recovery and Vaccine (SERVE) Jamaica Programme**. Approximately **\$5.9 Billion** of this assistance was processed through the **Ministry of Finance and the Public Service (MOFPS) We-CARE** portal and **\$5.2 Billion** through various Ministries, Departments and Agencies.

CARE Programme Allocation		\$Billions
MOF WeCare Portal		5.9
BEST Cash <sup>1</sup>		1.2
SET Cash <sup>2</sup>		2.3
Vaccine Incentive Grant		1.0
Independent School Grant		0.2
Workers Grant <sup>3</sup>		1.2
Ministries, Departments & Agencies		5.2
Members of Parliament		0.6
Municipal Councillors		0.3
Indoor /Outdoor Poor		0.3
Entertainers, Creatives, Athletes		0.1
Production Incentives - Farmers		1.0
Taxi Operators		0.2
PATH Beneficiaries		1.3
Persons with Disability		0.04
NIS Pensioners		0.6
Social Pensioners		0.05
Public Assistance Grants		0.1
CARE Food Packages		0.7

Source: MOFPS

**1 - BEST Cash:** Businesses in the Tourism Industry based on the retention of workers earning \$1.5 Million or less

**2 - SET Cash:** Employees earning \$1.5 Million or less who lost employment on or after the date of the first **COVID-19** case in the country

**3 - Workers Grants:** PAYE employees who earn less than or equal to \$15,000 per week gross or \$780,000 per year gross; and self-employed persons with STATUTORY INCOME less than or equal to \$780,000 per year



*The Jamaican economy is showing signs of recovery from the impact of the COVID-19 pandemic.*



## PART II - WHAT GOES INTO THE PREPARATION OF THE BUDGET?

In planning the National Budget, the Government's review of current and past performances of the main macroeconomic indicators determines the fiscal policy direction for the new budget year and the projections made over the medium term.

### Key Macroeconomic Indicators for Financial Year 2022/23

#### Economic Growth Rate

This is a measure of the total annual value of the goods and services produced in the country known as the **Gross Domestic Product (GDP)**. For financial year **2022/23** and the medium term, GDP growth rate is expected to average **2.2% annually**.

#### Unemployment and Job Creation

The recovery in economic activities has positively impacted the labour market. **STATIN's July 2021** and **October 2021 Labour Market Surveys** revealed that the employed labour force increased by **93,400** and **31,400 persons respectively** when compared to **July 2020** and **October 2020**. As the economy continues to recover from the pandemic, employment rates are expected to continue to rise.

#### Inflation Rate

Inflation over the period **April to December 2021** was **8.6%** and inflation for the **financial year 2021/22** is projected at **7.8%**.

#### Exchange Rate

The most common exchange rate utilised in Jamaica is the cost of **one United States dollar (USD)** in Jamaica dollars. At end-**December 2021**, the weighted average selling rate of the **USD was J\$155.09 to US\$1.00**. Strong demand for USD by end-users continues to place upward pressure on the price of the currency.

#### Fiscal Policy

**Fiscal Policy** provides the overall framework within which the government must operate. Jamaica's fiscal policy is largely governed by fiscal rules that facilitate management of the level of expenditure that can be undertaken by the government to provide citizens with public goods and services within the context of available revenue while ensuring fiscal responsibility and debt sustainability.

The fiscal policy framework for **Financial Year 2022/23** facilitates non-debt expenditure of approximately **\$604.5 Billion** and debt expenditure of **\$307.5 Billion** while keeping the Government on track to attain a public debt stock that is no more than **60% of Gross Domestic Product by 2027/2028**.



*Fiscal Policy provides the overall framework within which the government must operate.*







## PART III - HOW BIG IS THE NATIONAL BUDGET?

The budget is made up of the estimates of **EXPENDITURE** and **REVENUE** and both are tabled in the House of Representatives at the same time, by the Minister with responsibility for finance.

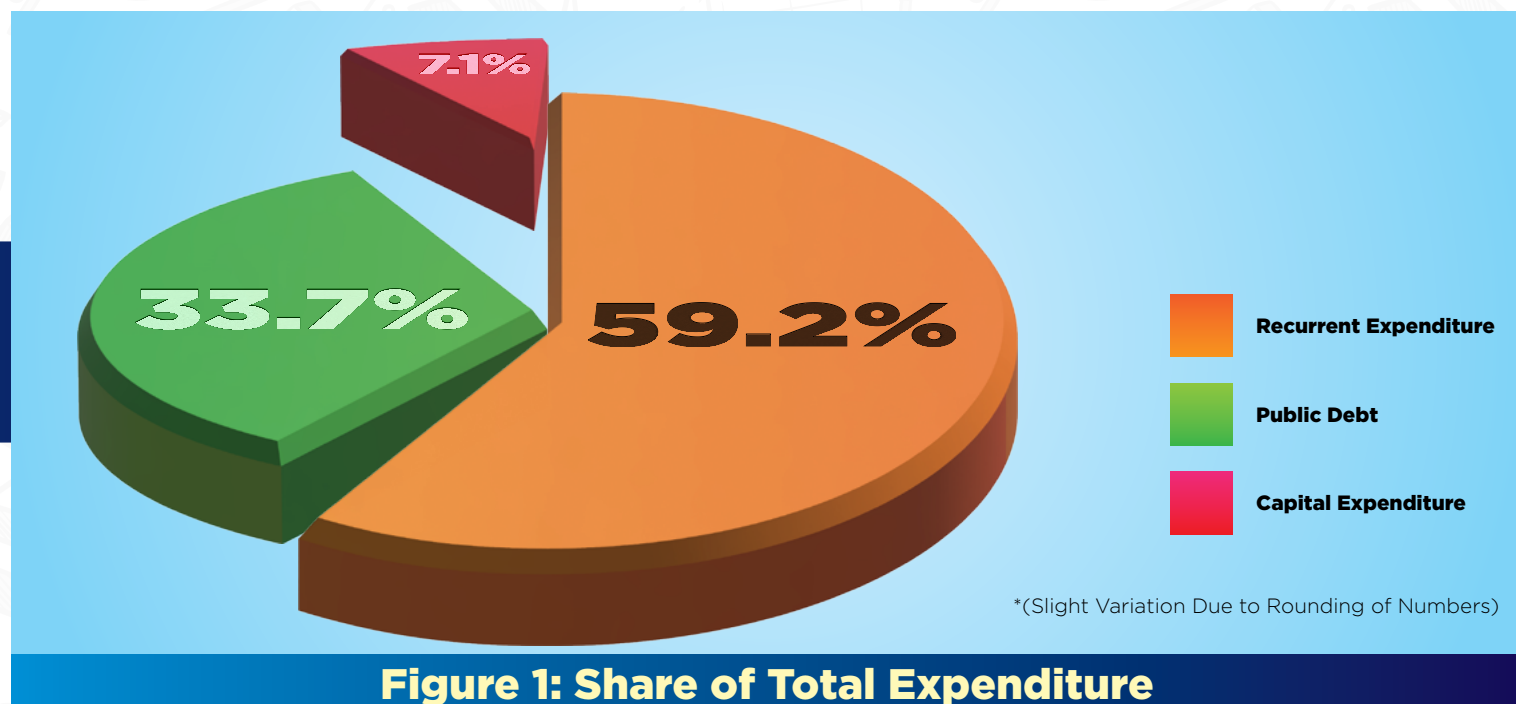
### THE EXPENDITURE BUDGET

The budget of the **Central Government (Ministries, Departments and Agencies)** for **FY 2022/23**, to be funded from the **Consolidated Fund**, is estimated at **\$912.0 Billion**. **Non-Debt Recurrent Expenditure** accounts for **59.2%** of total expenditure, **Public Debt Servicing 33.7%** and **Capital 7.1%**.

THE EXPENDITURE BUDGET	
	J\$ Billions
Public Debt Servicing	307.5
Recurrent Expenditure	539.4
Capital Expenditure	65.1
<b>TOTAL EXPENDITURE</b>	<b>912.0*</b>

Source: MOFPS

\*(Slight Variation Due to Rounding of Numbers)



THE REVENUE ESTIMATE

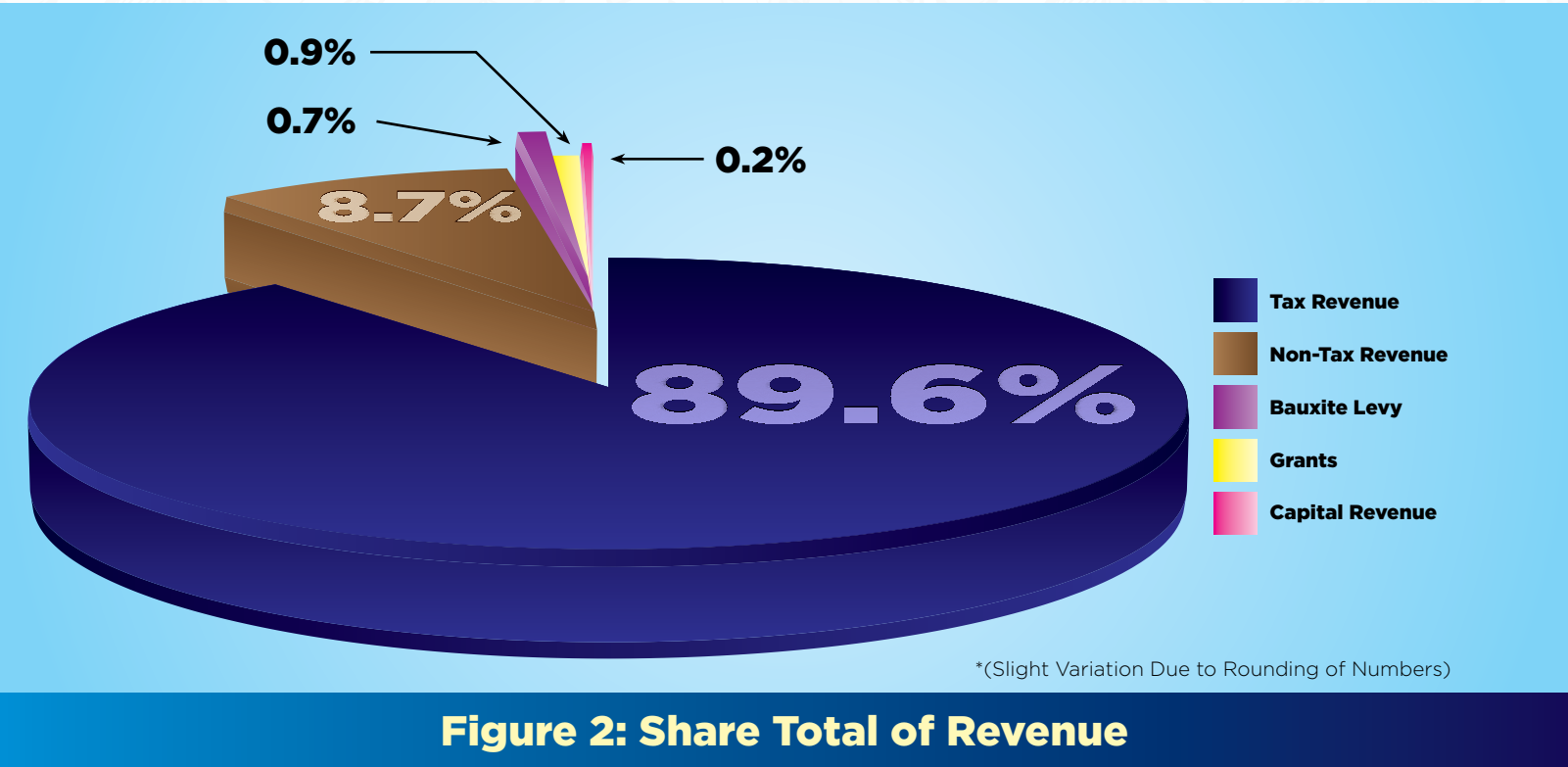
Revenue is estimated at **\$749.8 Billion** for **Financial Year 2022/23**.

Revenue defined here is the sum of non-borrowed resources that the Government receives during the financial year from various sources such as taxation, duties, fees, penalties and grants. Some loan repayments to the Government are not captured as Revenue.

REVENUE ESTIMATE	
	J\$ Billions
Tax Revenue	671.5
Non-Tax Revenue	65.4
Bauxite Levy	4.9
Grants	6.5
Capital Revenue	1.5
TOTAL REVENUE	749.8

Source: MOFPS

\*(Slight Variation Due to Rounding of Numbers)



Source: MOFPS



## HOW BIG IS THE PUBLIC DEBT?

### Stock of Public Debt

At end **December 2021**, the stock of **Public Debt** was **\$2.2 Trillion** including **\$47 Billion** related to Self-Financed Public Bodies. The **debt-to-GDP Ratio** is projected to be **96.3%** at **end-March 2022** down from **109.7%** at **end-March 2021**. The debt ratio is expected to continue on a downward path toward the debt-GDP target of **60%** or less by financial year **2027/28**.

### Debt Servicing Costs

Public Debt Service of **\$307.5 Billion** consists of Amortisation (Principal) payments of **\$169.1 Billion** and Interest costs of **\$138.4 Billion**.



*The debt ratio is expected to continue on a downward path toward the debt-GDP target of 60% or less by financial year 2027/28.*





## PART IV – WHERE DOES THE MONEY COME FROM TO FUND THE BUDGET?

For **FY 2022/23**, the Government expects to collect revenue, raise loans and utilise cash resources from previous years to finance the Central Government Expenditure Budget of **\$912.0 Billion**. Approximately **82.2%** of the financing is projected to come from revenue and grants; **13.6%** from loans, **3.6%** from loan repayments to the Central Government and **0.6%** from prior year cash balances in the Consolidated Fund. General Consumption Tax, Income Tax and Special Consumption Tax together account for **77.3%** of total projected intake from Tax Revenue in **FY 2022/23**.

Financing of the Expenditure Budget - FY 2022/23	
Source	\$ Billions
Tax Revenue	671.5
Non-Tax Revenue	65.4
Bauxite Levy	4.9
Grants	6.5
Capital Revenue	1.5
<b>Total Revenue and Grants</b>	<b>749.8</b>
Loan Receipts	124.1
Loan Repayments to the Central Government	32.5
Utilisation of (Prior Year) Cash Balance	5.6
	<b>912.0*</b>

Source: MOFPS

\*(Slight Variation Due to Rounding of Numbers)

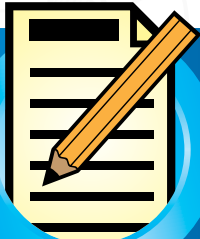




**Details of Tax Revenue - FY 2022/23**

<b>Tax Type</b>	<b>J\$ Billions</b>
<b>General Consumption Tax</b>	<b>237.6</b>
<b>Income Tax</b>	<b>189.6</b>
<b>Special Consumption Tax</b>	<b>92.1</b>
<b>Customs</b>	<b>59.3</b>
<b>Education Tax</b>	<b>36.7</b>
<b>Travel Tax</b>	<b>15.8</b>
<b>Stamp Duties</b>	<b>10.1</b>
<b>Betting, Gaming and Lotteries-Duties, Fees and Levies</b>	<b>9.3</b>
<b>Environmental Levy</b>	<b>5.5</b>
<b>Motor Vehicle Licences (Motor Vehicle Act)</b>	<b>5.1</b>
<b>Telephone Call Tax</b>	<b>3.2</b>
<b>Guest Accommodation Room Tax</b>	<b>2.6</b>
<b>Contractors Levy</b>	<b>2.5</b>
<b>Other</b>	<b>2.2</b>
<b>GRAND TOTAL</b>	<b>671.5</b>

Source: MOFPS



*For FY 2022/23, the Government expects to collect revenue, raise loans and utilise cash resources from previous years to finance the Central Government Expenditure Budget of \$912.0 Billion.*





## PART V - WHERE DOES THE MONEY GO?

### Allocation of the total Central Government Budget of \$912.0 Billion:

- **\$307.5 Billion** or **33.7 %** goes to Public Debt Servicing with **\$138.4 Billion** going to Amortisation (Principal) payments and **\$169.1 Billion** to Interest payments;
- **\$539.5 Billion** to Recurrent Expenditure of which **\$290.2 Billion** or **31.8%** is for Compensation of Employees and **\$249.2 Billion** or **27.3%** is for Programmes;
- **\$65.1 Billion** or **7.1%** to Capital Expenditure

Expenditure Allocation – FY 2022/23	
	\$ Billions
<b>Public Debt:</b>	<b>307.5</b>
Interest	138.4
Amortisation	169.1
<b>Non-debt Recurrent Expenditure:</b>	<b>539.5</b>
Compensation	290.2
Programmes	249.2
<b>Capital Expenditure:</b>	<b>65.1</b>
<b>Total</b>	<b>912.0</b>

Source: MOFPS

### Compensation of Employees

The allocation includes:

- **\$6.4 Billion** for payment of Government's contribution to Public Sector Health Insurance
- **\$1.4 Billion** for payment of National Housing Trust contribution arrears

Fixed motor vehicle allowances paid to Public Sector employees, have been shifted from the category of Recurrent Programmes to Compensation of Employees.





## RECURRENT PROGRAMMES (Non-Debt)

The allocation supports the ongoing operations of **Ministries, Departments and Agencies (MDAs)** including the purchase of goods and services; provision of grants to government agencies such as schools, universities and hospitals; rental of property, machinery and equipment; purchase of drugs and medical supplies; payment for utilities including electricity, water and telephone services.

## CAPITAL

The allocation supports expenditure for public investment projects to be implemented by Ministries. The **\$65.1 Billion** allocation represents an increase of **\$10.9 Billion** or **20%** above the Revised Budget for **FY 2021/22**. Included in the **2022/23** budget are new projects which will commence implementation during the financial year. These include the:

**(a) Education System Transformation Phase 2 (GOJ); (b) Modernisation of the Agriculture Sector (IDB); (c) Redevelopment and Modernisation of the UHWI (GOJ); and (d) Procurement of 100 Garbage Trucks (GOJ)** to be acquired over two years - 50 trucks in each year;



## Allocation of Budget 2022/23 to Portfolio Ministries and Departments

	Recurrent	Capital	Total
	J\$ Billions	J\$ Billions	J\$ Billions
Ministry of Education and Youth	122.4	1.3	123.7
Ministry of Finance and Public Service	105.2	9.0	114.2
Ministry of National Security	92.4	7.0	99.4
Ministry of Health and Wellness	93.1	4.9	98.0
Ministry of Economic Growth and Job Creation	12.9	29.8	42.7
Ministry of Local Government & Rural Development	15.8	2.2	17.9
Ministry of Labour and Social Security	14.2	-	14.2
Ministry of Agriculture and Fisheries	10.2	4.5	14.7
Office of the Prime Minister	8.9	4.5	13.4
Ministry of Transport and Mining	12.9	-	12.9
Ministry of Tourism	11.5	-	11.5
Ministry of Justice	10.4	0.1	10.5
Ministry of Science, Energy and Technology	8.9	1.2	10.1
Ministry of Industry, Investment and Commerce	4.3	0.7	5.0
Ministry of Foreign Affairs and Foreign Trade	5.0	-	5.0
Ministry of Culture, Gender, Entertainment and Sport	4.4	-	4.4
Houses of Parliament	1.3	-	1.3
Integrity Commission	1.2	-	1.2
Auditor General	1.1	-	1.1
Office of the Cabinet	0.8	-	0.8
Others	2.5	-	2.5
<b>TOTAL</b>	<b>539.5</b>	<b>65.1</b>	<b>604.5</b>

Source: MOFPS

\*(Slight Variation Due to Rounding of Numbers)



## ALLOCATION TO PORTFOLIO MINISTRIES AND DEPARTMENTS

## Major allocations by Ministry include:

**Ministry of Finance and The Public Service:**

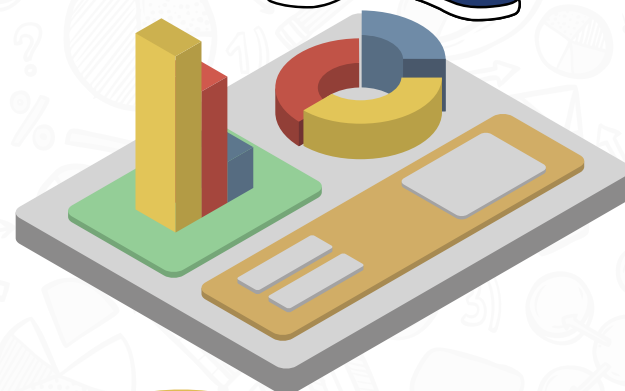
- Public Sector pension payments: **\$40 Billion;**
- Jamaica's 15th Population and Housing Census: **\$2.4 Billion;**
- Street Lights payments: **\$3.1 Billion;**
- Public Sector Health Insurance: **\$6.4 Billion;**
- Grant to Student's Loan Bureau: **\$1.2 Billion;**
- Land purchase for Jamaica Customs Agency: **\$1.2 Billion;**
- Tax Administration Jamaica: **\$14 Billion;**
- Insurance premiums for Catastrophe Risk Insurance Facility (CCRIF): **\$1.3 Billion;**
- Provision for new projects in the public investment management pipeline that have not yet been approved but are expected to be approved during the fiscal year: **\$5.3 Billion.**

**Ministry of Education and Youth:**

- Budgetary support to universities: **\$11.8 Billion;**
- Student nutrition support: **\$6.3 Billion;**
- Provision of school textbooks: **\$1.0 Billion;**
- PATH school transportation support: **\$380 Million;**
- HOPE/LEGS Programme: **\$570 Million.**

**Ministry of National Security, Departments and Agencies:**

- Police Department: **\$46 Billion;**
- Jamaica Defence Force: **\$28 Billion;**
- Correctional Services Department: **\$8.9 Billion;**
- Passport and Immigration Agency: **\$1.1 Billion;**
- Maintenance and repairs of police stations island-wide: **\$554 Million** supported by the proceeds of traffic fines.

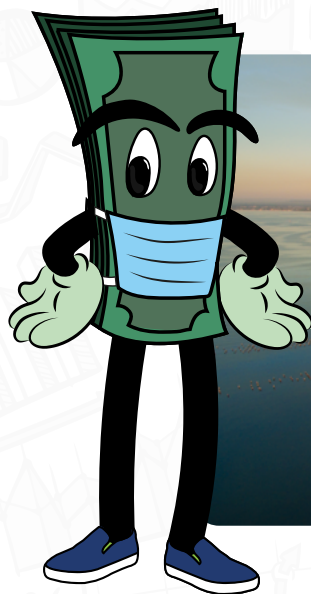


**Ministry of Health and Wellness:**

- Regional Health Authorities (RHAs): **\$57 Billion** including Compensation of **\$45.4 Billion**; University Hospital of the West Indies: **\$7.4 Billion**;
- Drugs and Medical Supplies: **\$10.6 Billion**;
- Cornwall Hospital Redevelopment Project: **\$1.0 Billion**.

**Ministry of Economic Growth and Job Creation:**

- Southern Coastal Highway Improvement Project (SCHIP): **\$20.7 Billion**;
- Montego Bay Perimeter Road: **\$4.9 Billion**;
- Ongoing maintenance of roads, gullies, bridges: **\$4 Billion**;
- Social Housing: **\$500 Million**;
- Housing Fund: **\$140 Million**;
- Removal of zinc fencing and community beautification: **\$275 Million**.

**Ministry of Local Government and Rural Development:**

- Public Cleansing and Garbage Disposal: **\$1.7 Billion**;
- Fire Services: **\$7.6 Billion**;
- Infirmarys and Golden Age Homes: **\$1.9 Billion**;
- Social Development Commission: **\$1.2 Billion**;
- Rural Development Initiatives: **\$493 Million** including **\$149 Million** for a Rural Development Pilot Programme to be undertaken in Cheesehead (Hanover) and Chamber's Lane (St Catherine); Island-wide rural water supply initiatives: **\$374 Million**;

**Ministry of Labour and Social Security**

- Social spending: **\$9.2 Billion**, including **\$7.9 Billion** for the PATH, **\$800 Million** for Social Pension for the Elderly and **\$480 Million** for social intervention programmes.





### Ministry of Tourism:

- Enhancement and development of tourist areas: **\$2.2 Billion;**
- Marketing activities through the Jamaica Tourist Board: **\$3.3 Billion;**
- Seat-risk support: **\$430 Million** and **\$250 Million** for contribution to the Tourism Pension Fund.



### Ministry of Transport and Mining:

- JUTC and Montego Bay Metro: **\$5.8 Billion;**
- Jamaica Civil Aviation Authority (JCAA): **\$5.3 Billion;** JCAA's expenditure will be supported by **\$422 Million** in earnings.

### Ministry of Agriculture and Fisheries:

- Essex Valley and Southern Plains irrigation projects: **\$4 Billion;**
- Production Incentives for farmers: **\$1 Billion;**
- Rural Farm road maintenance: **\$800 Million;**
- Preparation of new public investment projects (Yallahs West Agricultural Development; Expansion of the Pedro Plains Irrigation Systems; Lucky Hill Pen Agricultural Development Project; Agribusiness Cold Chain Initiative): **\$406 Million;**
- Jamaica Commodities Regulatory Authority (JACRA): **\$250 Million.**





## HOW TO ACCESS GOVERNMENT OF JAMAICA'S BUDGET DOCUMENTS

Please visit the MOFPS website at **[www.mof.gov.jm](http://www.mof.gov.jm)** to access the following budget documents:

- Estimates of Expenditure 2022/2023 (Central Government);
- Revenue Estimates 2022/2023 (Central Government);
- Jamaica Public Bodies Estimates of Revenue and Expenditure for the year ending March 2023;
- Public Sector Consolidated Estimates of Expenditure 2022/2023;
- Fiscal Policy Paper FY 2022/23;
- Medium Term Debt Management Strategy FY 2022/23 - FY 2025/26; and
- Tax Expenditure Statement 2022;

Questions on any aspect of the budget which require further explanation should be sent to the **Ministry of Finance and the Public Service Access to Information Unit:**

E-mail: **[ati@mof.gov.jm](mailto:ati@mof.gov.jm)**; Telephone: **(876) 932-5043**;

Feedback on the **Citizens' Guide to the 2022/2023 Budget** may be sent to: **[mofps.pr@mof.gov.jm](mailto:mofps.pr@mof.gov.jm)**



Strategic Public Sector  
Transformation Project






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