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# NEWS RELEASE

For immediate release  
December 10, 2025

## IFC Validates Hurricane Melissa Impact for Fiscal Rule Suspension

**Kingston, Jamaica — The Independent Fiscal Commission (IFC) has validated the Government of Jamaica's (GOJ) decision to temporarily suspend the country's fiscal rules following the severe economic and social impact of Hurricane Melissa, which made landfall on October 28, 2025.**

Hurricane Melissa, one of the most powerful storms in Jamaica's history to make landfall on the island, caused catastrophic damage, particularly across the western parishes. Preliminary assessments conducted by the World Bank in collaboration with the Inter-American Development Bank (IDB) estimate physical damage at **US\$8.8 billion**, equivalent to approximately **41%** of Jamaica's GDP.

Under the *Financial Administration and Audit (FAA) Act*, a natural disaster of this magnitude allows for temporary suspension of the fiscal rules once the fiscal impact reaches or exceeds **1.5% of GDP**. Following an official disaster declaration, the Minister of Finance and the Public Service requested the IFC's assessment to determine whether this legal threshold had been met.

After reviewing submissions from the Planning Institute of Jamaica (PIOJ) and the Ministry of Finance and the Public Service (MoFPS), the IFC has validated the estimated fiscal impact of **5.3% of GDP** over the period **2025/26 – 2029/30**, significantly surpassing the legislative requirement.

The estimated fiscal impact reflects both reduced revenue and increased expenditure associated with the Government's response to the socioeconomic fallout from the hurricane.

Despite noting that the data remains preliminary as ongoing assessments continue, the Fiscal Commissioner, Mr. Courtney H. Williams has deemed the submissions "broadly credible" and sufficient to support the suspension request.

With this validation the Minister of Finance recently tabled an *Order* and received affirmative resolution from Parliament to temporarily suspend the fiscal rules for an initial period to **March 31, 2027**. This suspension will allow the Government to prioritize recovery, rehabilitation, and reconstruction efforts without breaching legislated fiscal targets, particularly the **60%** debt-to-GDP ceiling.

### **About the Independent Fiscal Commission**

The Independent Fiscal Commission is Jamaica's non-partisan fiscal oversight body, tasked with monitoring, assessing and reporting on the government's compliance with fiscal rules. Through independent analysis and public reporting, the Commission plays a critical role in promoting transparency, fiscal discipline, and accountability in public financial management.

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