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# NEWS RELEASE

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## Independent Fiscal Commission (IFC) Evaluates Jamaica's Economic Performance and Outlook

**KINGSTON, JAMAICA** – The Independent Fiscal Commission (IFC) has today released its January 2026 Economic and Fiscal Assessment Report (EFAR), providing a preliminary evaluation of Jamaica's fiscal trajectory following the devastating impact of Hurricane Melissa. The report highlights that, while Jamaica continued a fiscally sustainable path up to September 2025, the Category 5 hurricane necessitated a temporary suspension of the fiscal rules to facilitate national relief, recovery and reconstruction.

### **Pre-Hurricane Performance:** A Record-Low Unemployment and Debt Reduction

Prior to the onslaught of Hurricane Melissa on October 28, 2025, Jamaica's economy exhibited strong stability. During the first half of FY 2025/26 (April–September 2025), the nation achieved:

- **Real GDP Growth:** 3.3% growth compared to the previous year.
- **Unemployment:** A record-low unemployment rate of 3.3% as of July 2025.
- **Inflation (12- month)** at September 2025 was 2.1%
- **Debt-to-GDP:** A ratio of 60.3% as of September 2025, which placed Jamaica on track to meet its 60.0% legislative target two years ahead of schedule.

### **Impact of Hurricane Melissa**

The Category 5 hurricane caused an estimated US\$8.8 billion in physical damage equivalent to approximately 41.0% of Jamaica's 2024 GDP. The IFC validated a cumulative fiscal impact of 5.3% of GDP through FY 2029/30, which triggered the legal "escape clause" to temporarily suspend the fiscal rules.

As a result, the Government of Jamaica (GOJ) has proposed extending the timeline for achieving the 60.0% debt-to-GDP target by two years, to FY 2029/30. The debt-to-GDP ratio is now projected to rise to 68.2% by 2026.

### **The Fiscal Commissioner's Opinion**

Fiscal Commissioner, Courtney H. Williams assessed the Government's new projections as "broadly credible but provisional," noting that Jamaica's past fiscal discipline has provided meaningful "fiscal space" to respond to such a massive shock.

"Jamaica's sustained fiscal discipline enables the Government to implement countercyclical policies to protect lives and livelihoods during this crisis," Commissioner Williams stated. "However, it is imperative that the Government

incorporates automatic corrective mechanisms into its Medium-Term Fiscal Framework to demonstrate a clear path back to sustainability".

## **Considerations to Bolster Fiscal Resilience**

The IFC continues to urge the Government to address long-standing weaknesses to strengthen future resilience, including:

- **Improving Capital Execution:** Addressing the chronic under-execution of capital projects, which saw a 45.9% shortfall in the first half of the year.
- **Budgetary Transparency:** Presenting a full fiscal profile for the Specified Public Sector (SPS) and tabling all revenue and expenditure measures simultaneously.
- **Wage Negotiations:** Aligning future public sector compensation negotiations with the annual budget cycle to mitigate fiscal risks.
- **Tax Deadlines:** The IFC welcome the GOJ's consideration to move the income tax filing deadline from March to April to stabilize year-end revenue flows.

The Commission concludes that while the recovery path is challenging, the fundamental pillars of Jamaica's fiscal framework remain intact.

The January 2026 Economic and Fiscal Assessment Report (EFAR) is available for download on the Independent Fiscal Commission's official website ([www.ifc.gov.jm](http://www.ifc.gov.jm)). The IFC remains committed to providing the public and Parliament with the independent, data-driven analysis required to safeguard Jamaica's financial future during this period of reconstruction.

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## **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.