



**INDEPENDENT FISCAL COMMISSION (IFC)**

**MINUTES OF THE FISCAL ADVISORY COMMITTEE MEETING**

**ON TUESDAY, 20 MAY 2025**

**Attendance**

**FAC Members Present:**

- Keith Duncan – Chairman
- Dr. Patrice Whitely
- Nancy Pinchas
- Kareem Tomlinson

**Other Attendees:**

- Courtney Williams – Fiscal Commissioner
- Leighton Beckles – Director, Corporate Communications & Public Relations (IFC)
- Althea Walters (JMMB) – Administrative Support

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**Chairman's Welcome**

The Chairman called the meeting to order at 4:42 p.m. He stated that although this was the second sitting of the Fiscal Advisory Committee (FAC), it was the first since the tabling of the 2025/26 Budget. The Chairman noted that the budget demonstrated the government's ability to run a balanced fiscal program, indicating a continued commitment to fiscal prudence and responsibility, especially in a globally volatile economic environment.

He mentioned a **10%** decline in tourist arrivals following the imposition of a travel advisory and the related contribution to a **0.9%** contraction in the real economy. The Chairman stressed the implications of these figures, especially given external pressures such as new U.S. tariffs and Jamaica's upcoming general elections.

Chairman Duncan also drew attention to outstanding compensation matters with the Jamaica Medical Doctors Association (JMDA) and urged the Fiscal Commissioner to continue emphasizing the need for a fiscal anchor for public wages, to prevent the wage bill from crowding out essential services.

The Chairman referenced the recent International Monetary Fund (IMF) *Article IV Consultations on Jamaica*, which ponders the national fiscal strategy after the country achieves the **60% Debt-to-GDP** milestone in 2028. He noted that by adopting an operational debt target below 60% of GDP Jamaica would maintain its ongoing sturdy fiscal consolidation stance, characterized by sizeable primary surpluses.

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### **Commissioner's Opening Remarks**

Commissioner Courtney Williams welcomed members and extended apologies for Mrs. Helene Davies-Whyte, who was absent. He commended the FAC members for their noteworthy contribution to the Commission's inaugural *Economic and Fiscal Assessment Report* (EFAR) and praised the dedication of the Independent Fiscal Commission (IFC) team in meeting the tight legislative deadlines.

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## **Matters Arising**

### **Fiscal Commission Staffing**

The Commissioner highlighted notable challenges due to limited staffing at the time of the Commission's first report, though subsequent hires included a Communications Director, Senior Legal Officer, and Senior Procurement Officer. The recruitment process is challenged by, inter alia, the IFC's continued reliance on the Ministry of Finance & the Public Service (MoFPS) to provide support in human resource management.

### **Office Space**

The Commission is finalizing a lease for new office space in New Kingston. The space is expected to be operational by **September 2025**. The inadequacy of the current temporary office space also hinders the pace of staff recruitment.

### **Reports and Legislation**

The EFAR and *Statement of Fiscal Performance* (SFP) reports were published in March 2025 and April 2025, respectively. The Commissioner flagged redundancies in reporting requirements, particularly the proximity of both reports with similar contents, and expressed that legislative amendments will be necessary to remedy the observed overlaps. He also reiterated that the FAC meetings are aligned with the IFC-mandated reporting periods for greater effectiveness.

### **Overseas Travel**

The Commissioner attended IMF/World Bank Group, Spring Meetings in Washington, D.C. in April, where he engaged in preliminary discussions aimed at triggering technical assistance from the IMF for the IFC technical staff. He was also scheduled to participate in a panel discussion on the role of fiscal councils, at an Inter-American Development Bank/IMF sponsored regional seminar in Chile over the period June 3-

4, 2025. These engagements are crucial to catalyse technical assistance, enhance knowledge sharing, and strengthen the IFC's international relationships and operational development.

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## Discussions

### Post-Budget Issues

The Commissioner provided a brief post-budget assessment to the FAC, while noting that the IFC was awaiting information from the government to undertake a more rigorous analysis. Members expressed concern over delayed information from government entities which invariably affect the timeliness and thoroughness of IFC reports. Based on the foregoing, the Commissioner accepted a suggestion from the FAC to publish a *Report Release Calendar* on the IFC website to promote transparency and accountability.

Key points discussed included:

- Legal obligations for the MoFPS to explain variances from budget over 10% or 0.2% of GDP.
- The fiscal risks associated with the JMDA retroactive payments, which could considerably elevate the wage bill.
- Reported productivity declining as rehashed in the recent *IMF Article IV* report.
- Concerns over use of one-off asset sales, for example, the sale of receivables from the Norman Manley International Airport (NMIA) to cover recurrent expenditure.
- 2024/25 tax revenue underperformed: projected at \$896B and actual collections of \$884B, which will have adverse implications for the 2025/26 budget.

## **FAC Meeting & Minutes Publishing**

It was agreed that:

- Meetings will be held before report deadlines (**February, May, August, November**).
- Minutes will be published within six weeks, in chronological order for easy referencing.
- A calendar of upcoming FAC meetings will be made available on the IFC corporate website.

## **Public Sector Wages & Compensation**

The FAC supported the Commissioner's position that the rising wage bill necessitates a fiscal anchor. Members raised fiscal risk concerns, and, within that context, the Commissioner expressed that the Contingency provision in the 2025/26 budget may be inadequate to address:

- The JMDA compensation demands
- Increment advancement payments
- Increases that will arise from new wage negotiations
- Overtime payments

The Chairman encouraged the Commissioner to continue engaging the media on the issue of the elevated public sector wage bill. He noted that public sector wages have increased by **\$243B** over the past three years.

## **Public Education & Visibility**

The Commission will continue its public education campaign, enhancing the website with:

- FAC meeting calendar
- Easy referencing of meeting minutes
- Status of data submissions from government entities

Chairman Duncan proposed leveraging social media, to which the Commissioner concurred. To this end, the Director of Corporate Communications is far advanced in developing a draft strategic communications plan for the IFC.

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### **Other Matters**

The Commissioner reiterated that the IFC Act prohibits him from commenting or opining on alternative policy proposals, including the Opposition's budget proposals.

The Committee agreed unanimously to continuing in-person meetings.

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### **Any Other Business**

None raised.

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### **Termination of the Meeting**

The meeting ended at 7:10 p.m. The next sitting is scheduled for **August 2025**.