



Statement of Fiscal Performance:
April to December 2024

Independent Fiscal Commission

Jamaica, West Indies

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Executive Summary

Fiscal operations for the review period April – December 2024 was broadly positive. Central Government operations generated a **Fiscal deficit** of \$26.4 billion; better than originally budgeted. Simultaneously, the **Primary Balance** of \$104.5 billion was higher than originally targeted. The stock of **Public Debt** outstanding for the *Specified Public Sector* at the end of December 2024 stood at \$2.2 trillion; down \$45.3 billion (2.0 percent) relative to the level registered at the end of March 2024. This resulted in a **debt-to-GDP ratio** of 69.8 percent at end-December 2024 compared with 73.4 percent at end-March 2024.

Revenue & Grants exceeded budget by \$22.1 billion (3.1 percent). **Tax Revenue** of \$608.3 billion performed broadly in line with budget, registering a shortfall of \$2.1 billion (0.3 percent). The slight shortfall relative to the original budget partly reflected the adverse effect of hydro-meteorological events, which was partially offset by lower-than-projected revenue foregone from the announced tax measures. **Non-Tax Revenue** of \$125.8 billion surpassed the original targeted amount by \$23.8 billion (23.3 percent) due to excess inflows from the securitization of receivables from the Norman Manley International Airport.

Total Expenditure exceeded the original projection by \$6.2 billion (0.8 percent). **Recurrent Expenditure** surpassed the original target by \$15.7 billion (2.2 percent) and reflected primarily higher-than-originally-budgeted spending on *Recurrent Programmes*, up \$13.6 billion (5.4 percent) due mainly to higher spending on the post-Hurricane Beryl response.

Spending on **Wages & Salaries** exceeded the original budgeted amount by \$3.3 billion (1.1 percent) primarily as a result of the cost of the final phase of the public sector compensation restructure exercise being higher than programmed. **Capital Expenditure** fell \$9.5 billion (20.5 percent) below the originally projected amount due mainly to a slower-than-programmed pace of execution for several planned public sector investment projects and delays caused by adverse weather conditions.

In terms of the macroeconomic environment, amid the adverse weather-related shocks, **real GDP** contracted by 1.3 percent for April–December 2024 while **nominal GDP** grew by 4.1 percent. The **12-month point-to-point inflation rate** at December 2024 was 5.0 percent, firmly anchored within the Bank of Jamaica’s target band.

1.0 Introduction

This *first Statement of Fiscal Performance* (SFP) is prepared in accordance with Section 15(3) of the *Independent Fiscal Commission Act, 2021 (IFC Act)*, which requires “*an assessment of Government’s achievement of the budget targets and fiscal targets pursuant to Part VII of the Financial Administration and Audit Act (FAA Act) and shall be published on the official website of the Fiscal Commission*”. The SFP complements the Economic and Fiscal Assessment Report (EFAR) that was tabled in Parliament in March 2025.

2.0 Evolution of Fiscal Year 2024/2025 Budget

In presenting this SFP, the IFC traces the progression of fiscal developments from the tabling of the Budget on **February 15, 2024** through December 2024. At the time of tabling, Government projected **Central Government’s Revenue & Grants** at **\$1,033.6 billion** and **Expenditure** at **\$1,023.7 billion** for the 2024/2025 fiscal year with the **Fiscal Balance** (i.e. Revenue & Grants *minus* Expenditure) and **Primary Balance** (i.e. Fiscal Balance excluding Interest expenditure) programmed at **\$9.9 billion** (0.3 percent of GDP) and **\$183.7 billion** (5.6 percent of GDP), respectively (**Table 1a**). The **Self-Financing Public Bodies** were programmed to run a budget surplus of **\$34.4 billion** (1.0 percent of GDP) for 2024/2025. Relatedly, the **Specified Public Sector** (i.e. Central Government *plus* Public Bodies exempt from the fiscal rules) was therefore programmed to generate a budget surplus of **\$44.3 billion** (1.3 percent GDP), consistent with steering the public debt stock toward the 60 percent of GDP ceiling by March 2028.

Following the tabling of the suite of budget documents and deliberations by the *Standing Finance Committee*, **Revenue Measures** were tabled on **March 12, 2024** (and amended on March 26, 2024) resulting in combined **\$25.1 billion** tax giveback from ten discretionary policy changes. These measures as presented, were “*revenue-neutral*” since the estimated potential revenue loss was to be completely offset by **\$25.1 billion** of Non-Tax revenue to be garnered specifically from the securitization of receivables from the Norman Manley International Airport. The mix of revenue measures resulted in Tax Revenue falling to **\$899.2 billion** and Non-Tax Revenue rising to **\$128.8 billion**. Overall, the **Fiscal Balance** and **Primary Balance** both remained unchanged due to the measures being *revenue-neutral* (**Table 1b**).

Table 1a: Selected Central Government Budget Summary Indicators for 2024/2025

<i>Indicator</i>	<i>Original Budget</i>	
	<i>J\$ Million</i>	<i>Percentage of GDP</i>
Revenue & Grants	1,033,594.6	31.4
Tax Revenue	924,376.3	28.1
Non-Tax Revenue	103,701.1	3.2
Total Expenditure	1,023,725.2	31.1
Recurrent Expenditure	943,725.2	28.7
Programmes	327,848.7	10.0
Compensation of Employees	442,047.7	13.4
<i>of which Wages & Salaries</i>	<i>414,198.7</i>	<i>12.6</i>
Interest	173,828.7	5.3
Capital Expenditure	80,000.0	2.4
Fiscal Balance	9,869.4	0.3
Primary Balance	183,698.2	5.6

Note: Discrepancies due to rounding.

Source: Compiled by the IFC using data obtained from the MOFPS' *FPP 2024/25* (Part 3, Pages 23 and 24).

In **October 2024**, Government tabled an *Interim Fiscal Policy Paper 2024/2025* outlining its then decision to have \$40.4 billion in additional Expenditure (inclusive of \$9.6 billion for **Interest** and \$30.8 billion for **Non-Interest Expenditure** mostly associated with the effects of Hurricane Beryl) via *First Supplementary Estimates* to be mainly funded by \$40.2 billion in extra Revenue & Grants (primarily attributable to excess inflows from the securitization transaction). Under this *First Supplementary Budget*, **Revenues & Grants** and **Expenditure** were revised upwards to **\$1,073.8 billion** and **\$1,064.1 billion**, respectively. Accordingly, the **Fiscal Balance** was broadly unchanged while the **Primary Balance** increased to **\$193.1 billion** (Table 1b).

Table 1b: Evolution of Selected Central Government Budget Summary Indicators for 2024/2025

<i>Indicator</i>	<i>Original Budget</i>	<i>Revenue</i>	<i>Approved</i>	<i>First</i>	<i>Difference:</i>
	<i>2024/2025</i>	<i>Measures</i>	<i>Budget</i>	<i>Suppl.</i>	<i>First Suppl. vs Appr. Budget</i>
Revenue & Grants	1,033,594.6	0.0	1,033,594.4	1,073,771.4	40,177.0
Tax Revenue	924,376.3	-25,143.0	899,232.6	905,059.3	5,826.7
Non-Tax Revenue	103,701.1	25,143.0	128,844.6	162,091.8	33,247.2
Total Expenditure	1,023,725.2		1,023,725.1	1,064,083.0	40,357.9
Recurrent Expenditure	943,725.2		943,725.1	996,183.0	52,457.9
Programmes	327,848.7		327,848.7	359,116.9	31,268.2
Compensation of Employees	442,047.7		442,047.7	453,672.2	11,624.5
<i>of which Wages & Salaries</i>	<i>414,198.7</i>		<i>414,197.8</i>	<i>424,509.1</i>	<i>10,311.3</i>
Interest	173,828.7		173,828.7	183,394.0	9,565.3
Capital Expenditure	80,000.0		80,000.0	67,900.0	-12,100.0
Fiscal Balance	9,869.4		9,869.3	9,688.4	-180.9
Primary Balance	183,698.2		183,698.0	193,082.4	9,384.4

Notes: J\$ Million. Discrepancies due to rounding.

Sources: Compiled by the IFC using data from MOFPS' *FPP 2024/25* (Part 3, Page 23) and *Interim FPP 2024/25* (Appendix 1, Page 3).

3.0 Fiscal Performance: April to December 2024

At end-December 2024, the Central Government operations generated a **Fiscal deficit** of \$26.4 billion, which was better than originally budgeted. At the same time, the **Primary Balance** of \$104.5 billion was higher than originally targeted (**Table 1c**).

Table 1c: Budgeted and Actual Outturns for Selected Central Government Budget Indicators for 2024/2025

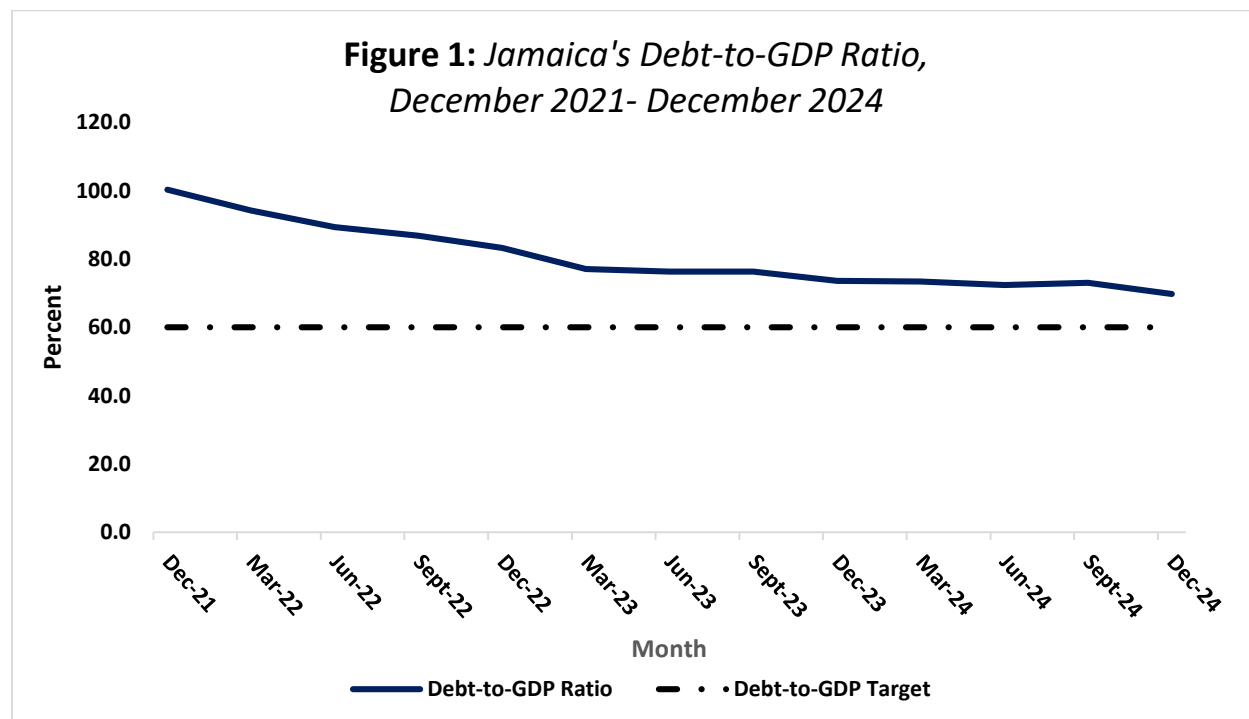
<i>Indicator</i>	<i>Approved</i>	<i>Actual Outturn</i>	<i>Difference</i>	<i>Diff (%)</i>
	<i>Budget</i>	<i>Apr. – Dec. 2024</i>		
Revenue & Grants	716,506.7	738,559.2	22,052.5	3.1
Tax Revenue	610,371.3	608,303.6	-2,067.7	-0.3
Non-Tax Revenue	102,011.7	125,812.7	23,801.0	23.3
Total Expenditure	758,845.3	765,007.5	6,162.2	0.8
Recurrent Expenditure	712,645.8	728,299.3	15,653.5	2.2
Programmes	251,392.2	264,951.1	13,558.9	5.4
Compensation of Employees	332,909.9	332,410.2	-499.7	-0.2
<i>of which Wages & Salaries</i>	<i>311,793.9</i>	<i>315,125.1</i>	<i>3,331.2</i>	<i>1.1</i>
Interest	128,343.7	130,938.1	2,594.4	2.0
Capital Expenditure	46,199.4	36,708.1	-9,491.3	-20.5
Fiscal Balance	-42,338.6	-26,448.3	15,890.3	-37.5
Primary Balance	86,005.2	104,489.9	18,484.7	21.5

Note: J\$ Million.

Source: Compiled by the IFC using data obtained from the MOFPS' *FPP 2025/26* (Part 3, Page 6).

The stock of **Public Debt** outstanding for the *Specified Public Sector* at the end of December 2024 stood at \$2.2 trillion; down \$45.3 billion (2.0 percent) from the level recorded at the end of March 2024. This resulted in a **debt-to-GDP ratio** of 69.8 percent at end-December 2024 compared with 73.4 percent at end-March 2024. The debt-to-GDP ratio continued its downward trend towards the

legislative target of 60 percent or less by March 2028, reflecting the robust fiscal consolidation being pursued by the Government of Jamaica.



Source: Compiled by the IFC using data obtained from the MOFPS' website i.e.

<<https://dmb.mof.gov.jm/wp-content/uploads/2024/06/Mar24-Total-Public-Debt-1.pdf>> [Accessed on April 3, 2025].

During the period April – December 2024, **Revenue & Grants** exceeded budget by \$22.1 billion (3.1 percent). **Tax Revenue** of \$608.3 billion performed broadly in line with budget, registering a shortfall of \$2.1 billion (0.3 percent). This was 1.1 percent lower than the forecast for the *First Supplementary Estimates*. The slight shortfall relative to the original budget partly reflected the adverse effect of hydro-meteorological events, which was partially offset by a lower-than-projected revenue loss from the announced revenue measures. Nevertheless, the IFC notes that a larger shortfall would have been registered had the actual tax revenue foregone been in line with budgeted.

Of note, there was less than full implementation/impact of some revenue measures. For instance, tax revenue benefitted overall by \$6.92 billion *via* a lower payout from the Reverse Income Tax

Credit (RITC) (\$4.5 billion) and the delay in the removal of GCT on imported raw foodstuff (\$2.42 billion) as illustrated by **Table 2**. Moreover, while overall tax revenue was in line with budget, the performance of individual tax types was mixed (**Table 3**).

Table 2: Estimated Potential Revenue Effects from Selected Discretionary Policy Changes for 2024/2025

	<i>Budgeted</i>	<i>Actual</i>	<i>Difference</i>
<i>Introduction of Reverse Inc. Tax Credit</i>	-11.40	-6.90	4.50
<i>Removal of GCT on</i>			
<i>Imported Raw Foodstuff[†]</i>	-2.42	0.00	2.42
<i>Securitization</i>			
<i>of Receivables from NMIA</i>	+25.09	+70.70	+45.61

Notes: J\$ Billion. [†]Measure delayed.

Source: Compiled by the IFC using data obtained from Ministry of Finance and the Public Service (2024c) and Ministry of Finance and the Public Service (2024d).

Non-Tax Revenue of \$125.8 billion for the period April – December 2024 surpassed the original targeted amount by \$23.8 billion (23.3 percent). This greater-than-expected performance was mainly attributable to the higher-than-anticipated inflow from the securitization of revenue due from the Norman Manley International Airport. Receipt of Non-Tax revenue was however 2.6 percent below the forecast amount under the *First Supplementary Estimates*.

Grants for the review period totalled \$4.4 billion, thus exceeding the original budgeted sum by \$743.9 million (20.1 percent) due to higher-than-projected inflows from the Caribbean Development Bank (CDB).

Total Expenditure exceeded the original projection by \$6.2 billion (0.8 percent). **Recurrent Expenditure** surpassed the original targeted amount by \$15.7 billion (2.2 percent) and reflected *inter alia* higher-than-originally-budgeted spending on **Recurrent Programmes**, up \$13.6 billion (5.4 percent) due mainly to higher spending on the post-Hurricane Beryl response. The Central Government spent \$11.8 billion on relief and recovery efforts including \$6.8 billion (57.6 percent) allocated to the Ministry of Economic Growth and Job Creation and \$1.5 billion to the Ministry of

Education, Youth and Information to carry out repairs to educational institutions that were damaged by Beryl.

Spending on **Wages & Salaries** was higher the original budgeted amount by \$3.3 billion (1.1 percent) primarily as a result of the cost of the final phase of the public sector compensation restructure exercise being higher than programmed.

Simultaneously, **Interest** payments surpassed the original projection by \$2.6 billion (2.0 percent) and was attributable to the 90-day Treasury Bill average interest rate exceeding projection.

Capital Expenditure declined by \$9.5 billion (20.5 percent) below the originally projected amount due mainly to a slower-than-programmed pace of execution for several planned public sector investment projects and delays caused by adverse weather conditions. Specifically, the less than desired pace of execution of the projects was primarily attributable to continued project management/procurement bottlenecks and weather-related postponements.

Table 3: Explanations for Major Fiscal Deviations from Original Budget - April to December 2024

REVENUE						
\$J Million						
Tax Item	Provisional	Original Budget	Difference	Difference (%)	MoFPS' Explanation for Deviation	IFC Comments
Total Tax Revenue	608,303.6	610,371.3	-2,067.7	-0.3	The shortfall reflected the impact of economic contraction caused by adverse hydro-meteorological events. However, this shortfall was partly offset by lower tax revenue loss emanating from the partial implementation of the FY 2024/25 Revenue Measures.	Explanation is reasonable.
Income and Profits	186,578.7	177,855.9	8,722.8	4.9		
Other Companies	51,661.2	45,891.9	5,769.3	12.6	Improved compliance initiatives.	Explanation is reasonable.
Tax on Dividend	2,644.8	3,682.2	-1,037.4	-28.2	Year-over-year decline in dividends per share for ordinary shares.	Explanation is reasonable.
Tax on Interest	27,266.8	25,640.7	1,626.1	6.3	Strong growth in local currency deposits, evidenced by a 10.7 percent	

					year-over-year growth for the review period.	Explanation is reasonable.
<i>Production and Consumption</i>	195,166.6	204,413.4	-9,246.8	-4.5		
SCT (Local)	14,193.1	16,794.4	-2,601.3	-15.5	Reduced production of petroleum products due to plant maintenance.	Explanation is reasonable.
Environmental Levy (Local)	731.1	639.7	91.4	14.3	No explanation provided.	
Quarry Tax	195.0	51.7	143.3	277.2	No explanation provided.	
Betting, Gaming and Lottery	6,210.5	7,282.2	-1,071.7	-14.7	Disruptions to power supplies and telecommunication networks from Hurricane Beryl.	Explanation is reasonable
Accommodation Tax	2,486.7	2,913.1	-426.4	-14.6	A year-over-year estimated contraction of 5.4 percent in visitor arrivals (i.e. stop-over and cruise), partly influenced by negative travel advisories and adverse hydro-meteorological events, alongside lower-than-projected average exchange rate for the period.	

						Explanation is reasonable.
Telephone Call Tax	2,001.2	2,339.3	-338.1	-14.5	Disruptions to power supplies and telecommunication networks from Hurricane Beryl.	Explanation is reasonable.
Stamp Duty (Local)	5,799.4	6,267.1	-467.7	-7.5	Downturn in the <i>Real Estate, Renting and Business</i> sector.	Explanation is reasonable.
International Trade	226,558.3	228,102.0	-1,543.7	-0.7		
Travel Tax	20,798.4	25,698.2	-4,899.8	-19.1	An estimated 5.4 percent decline in tourist arrivals as well as a lower-than-projected average exchange rate for the review period.	Explanation is reasonable.
Environmental Levy (Imports)	4,116.8	4,361.9	-245.1	-5.6	No explanation provided.	
NON-TAX REVENUE	125,812.7	102,011.7	23,801.0	23.3	The increase largely reflected the higher-than-anticipated inflows from the securitization transaction i.e. \$70.7 billion received versus \$45.1 billion budgeted (i.e. \$20 billion included in budget tabled in February 2024 and	

					\$25.1 billion in the Revenue Measures tabled in March).	Explanation is reasonable.
GRANTS	4,442.9	3,699.0	743.9	20.1	Higher than projected inflows from the Caribbean Development Bank.	Explanation is reasonable.
EXPENDITURE						
	\$J Million					
Tax Item	Provisional	Original Budget	Difference	Difference (%)	Explanation for Deviation	IFC Comments
Recurrent Expenditure	728,299.3	712,645.8	15,653.5	2.2		
Programmes	264,951.1	251,392.2	13,558.9	5.4	Increased spending for post-Hurricane Beryl response.	Explanation is reasonable.
Wages & Salaries	315,125.1	311,793.9	3,331.2	1.1	Included salary increases related to the final phase of the public sector compensation restructure.	Explanation is reasonable.
Interest	130,938.1	128,343.7	2,594.4	2.0	The average interest rate on the 90-day Treasury Bill exceeded projection for the review period amid continued uncertainty surrounding the inflation environment particularly during the first quarter of the fiscal year.	

					However, such uncertainty abated towards the end of the review period.	Explanation is reasonable.
Capital Expenditure	36,708.1	46,199.4	-9,491.3	-20.5	The slower-than-programmed pace of execution of several planned public sector investment projects was influenced by factors such as continued project management, procurement bottlenecks and weather-related delays.	Explanation is reasonable.

Source: Compiled by the IFC based on information provided by the Ministry of Finance and the Public Service.

4.0 Macroeconomic Environment

A country's fiscal performance is highly influenced by the macroeconomic environment in which it operates. Macroeconomic indicators such as GDP, employment and prices, interest rates and exchange rates impact a government's revenue and expenditure.

For the first nine months of FY 2024/25, the Government of Jamaica operated under macroeconomic conditions that deviated from initial projections (**Table 4**).

- **Real GDP contracted by 1.3 percent for April–December 2024**, relative to an initial projection for an expansion of 1.8 percent for FY 2024/25. The lower than projected growth was mainly due to the negative impact of the passage of Hurricane Beryl and Tropical Storm Rafael in July 2024 and November 2024, respectively. These hydrological shocks contributed to a contraction in real GDP of 3.3 percent and 0.8 percent in the July–September 2024 and October–December 2024 quarters, respectively. Such declines outweighed the 0.2 percent expansion recorded in the April–June 2024 quarter. The lower than programmed growth contributed to lower than projected inflows in government tax revenue.
- **The 12-month *point-to-point* inflation rate for December 2024 was 5.0 percent**, which was below the initial projection of 5.8 percent for FY 2024/25. Lower than programmed inflation may contribute to less than projected revenue inflows, as well as, lower than programmed expenditure.
- **Nominal GDP grew by an estimated 4.1 percent for April–December 2024**, relative to an initial projection of an expansion of 8.0 percent. The lower than projected expansion in nominal GDP reflected a combination of a decline in real GDP relative to a projected growth in real GDP and lower than programmed prices.

Table 4: Selected Macroeconomic Indicators				
<i>Period</i>	<i>Source</i>	<i>Real GDP Growth</i>	<i>12-month Inflation Rate (%)</i>	<i>Nominal GDP Growth</i>
Actual April–December 2024/April–December 2023	STATIN	-1.3	5.0	4.1
Initial Projects FY 2024/25	Fiscal Policy Paper FY 2024/25	1.8	5.8	8.0
Revised Projections FY 2024/25	Fiscal Policy Paper FY 2025/26	-0.7	5.6	5.6

Sources: Compiled by the IFC based on data obtained from Statin and the MOFPS.

At the end of December 2024, both the domestic and external market reference interest rates were below the rates that existed in FY 2023/24 (March 2024);

- Domestic reference interest rates: The Bank of Jamaica’s policy rate declined by 100 basis points (1.0 percentage point) to 6.0 percent and the 3-month Treasury bill rate declined by 174 basis points (1.74 percentage point) to 6.28 percent.
- External reference interest rates: The Federal Open Market Committee reduced its target range for the US Fed Funds rate to 4.25 percent – 4.50 percent (down from 5.50 percent–5.25 percent).

The US dollar weighted average selling rate was J\$156.42 to US\$1 at the end of December 2024, compared with J\$154.70 to US\$1 at the end of March 2024.

Finally, the average interest rate applicable to Jamaica’s debt over the review period was higher than programmed and contributed to increased domestic interest cost. At the same time, slower than projected average exchange rate depreciation impacted revenue flows.



Courtney H. Williams (Mr.),

Fiscal Commissioner

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