Statement on Fiscal Performance:

April to June 2025

Independent Fiscal Commission

Jamaica, West Indies

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Executive Summary

This ***Statement on Fiscal Performance*** provides an **assessment of the Government of Jamaica's (GOJ's) achievement of the budget and fiscal targets** outlined in **Part VII of the *Financial Administration and Audit (FAA) Act.***

Salient results from the assessment revealed that:

- In FY 2024/25, Jamaica's macroeconomic environment remained sound, characterised by relatively low inflation, a stable foreign exchange market and a strong labour market. However, hydrological shocks led to a contraction in the real economy and, by extension, constrained the growth of the country's revenue base.
- The relatively stable macroeconomic ecosystem continued through the first quarter of FY 2025/26. Inflation, at 3.8 percent in June, was marginally below the lower bound of the Bank of Jamaica's inflation target range of 4.0 percent to 6.0 percent. Unemployment fell to 3.3 percent in April 2025, the lowest on record, while real Gross Domestic Product (GDP) is estimated to rebound by 1.4 percent from the shocks experienced in FY 2024/25. However, geopolitical headwinds (particularly restrictive trade policies by one of Jamaica's main trading partners and the related increased uncertainty) are expected to stymie the pace of recovery.
- The recent update of Jamaica's System of National Accounts (SNA) from the 1993 to the 2008 framework has raised nominal GDP on average by approximately 8.0 percent. **This revision necessitates a recalibration of fiscal parameters**. Relatedly, the Debt-to-GDP ratio at March 2025 was 62.4 percent, compared to 68.9 percent under the previous SNA. In this regard, Jamaica has the **potential to achieve its *Debt-to-GDP* target of 60.0 percent or less by FY 2025/26, two years earlier than the legislated timeline**.
- Furthermore, the higher GDP level arising from the adoption of the 2008 SNA means that while the ***Wages & Salaries to GDP*** **ratio** of 12.1 percent at end-March 2025 remains elevated, it is lower than the 13.4 percent previously reported.
- The Central Government primary surplus exceeded the target for FY 2024/25 as well as for the April - June 2025 period. At end-June 2025, the Specified Public Sector generated an overall fiscal deficit of $12.6 billion; far lower than the projected $57.1 billion fiscal deficit.

- Tax Revenue fell sharply behind target in March 2025 resulting in a $14.2 billion shortfall against the amount estimated for the *Third Supplementary* Estimates for FY 2024/25. A noteworthy implication of this shortfall is that the tax base upon which the FY 2025/26 revenue budget was cast was overstated – higher than the realized tax base. In this regard, a much larger-than-programmed revenue effort will be required to meet the revenue target.
- During the period April to June 2025, Central Government Revenue and Grants were within budget as a higher intake from Non-Tax Revenue offset shortfalls in Tax Revenue and Other Revenue. Meanwhile, Expenditure fell below budget by $18.6 billion (6.5 percent) mainly from underspending on capital projects by $9.8 billion (52.6 percent).
- The execution of capital projects across the overall Specified Public Sector remains underwhelming and gravely concerning amid the adverse implications for much-needed infrastructure development and related economic growth. Of the $163.8 billion budgeted (Central Government $62.6 billion and Public Bodies $101.2 billion), only $20.1 billion was spent in the first fiscal quarter; considerably below budget ($40.5 billion) and far less than the amount expended during the similar period of 2024 ($25.1 billion).
- The GOJ has made progress on a few considerations articulated by the IFC aimed at strengthening fiscal sustainability and resilience, chiefly: updating the SNA, implementing measures to reduce informality (such as the digitalization of selected government services) and enhancing the Public Investment Management System (PIMS). Nevertheless, critical gaps remain, such as **establishing and timely executing a public sector compensation negotiation cycle as well as reporting on the Specified Public Sector**, as required under the *FAA Act*.

SECTION I: Introduction

This second ***Statement on Fiscal Performance*** is prepared in accordance with Section 15(3) of the ***Independent Fiscal Commission Act,* 2021**.

- **Mandate and Frequency:** The Fiscal Commissioner is mandated to prepare and publish a *Statement on Fiscal Performance* at two intervals during each fiscal year.
- **Publication Timeline**: The *Statement* must be published on the IFC's official website within **twenty-one days of receiving quarter-end fiscal data for 30th June** and within **forty-two days of receiving quarter-end fiscal data for 31st December** of each year. In this instance, the *Statement* is in fulfilment of receiving fiscal data for the Specified Public Sector for quarter-end 30th June 2025. Prior to publication, the Commissioner shall submit the *Statement* to the Speaker of the House of Representatives and the President of the Senate, who shall table it as soon as possible.
- **Primary Objective**: The *Statement's* central purpose is to provide an **assessment of the Government's achievement of the budget and fiscal targets** outlined in **Part VII of the *Financial Administration and Audit Act***.
- **Scope of Assessment**: The assessment covers the financial performance of the Specified Public Sector i.e. the Central Government *plus* selected Self-Financing Public Bodies. Importantly, the Bank of Jamaica (BOJ) and the Jamaica Mortgage Bank are excluded, as both institutions are certified exempt from the fiscal rules by the Auditor General.
- **Time Period Covered**: The assessment covers Fiscal Year (FY) 2024/25, the first quarter of FY 2025/26 (April–June 2025), the remainder of FY 2025/26 and the medium-term outlook through FY 2028/29.
- **Information Limitations**: The *Statement* excludes any information that: is confidential, could compromise national security/defence, could significantly harm the Jamaican economy or impair Government's ability to manage its affairs.

SECTION II: Macroeconomic Overview

The Jamaican economy experienced mixed performance in FY 2024/25. Despite several hydrological (weather-related) shocks that led to a contraction in real GDP, the macroeconomic environment remained relatively stable, characterized by a low unemployment rate, moderate inflation and a stable foreign exchange market.

The economy is expected to remain relatively stable in FY 2025/26 after rebounding from the adverse effects of Hurricane Beryl and Tropical Storm Rafael in FY 2024/25. Performance in the April – June 2025 period revealed clear signs of recovery with an uptick in real GDP growth, a further reduction in unemployment and relatively low inflation.

Notwithstanding, global geopolitical uncertainty (particularly US' trade policy changes such as increased tariffs and new tax on remittances) is expected to impede global growth and by extension, dampen Jamaica's economic performance.

Box 1: Budgetary targets — such as fiscal balance (Revenue & Grants *minus* Expenditure) —are based on projections of government revenue and spending, which in turn depend on macroeconomic forecasts. Key inputs include projections of nominal GDP (which reflects the tax base), inflation, interest rates and exchange rates. These projections inform macro-fiscal targets (e.g. *debt-to-GDP* ratio) and the fiscal adjustments (e.g. expenditure changes) required to achieve them.

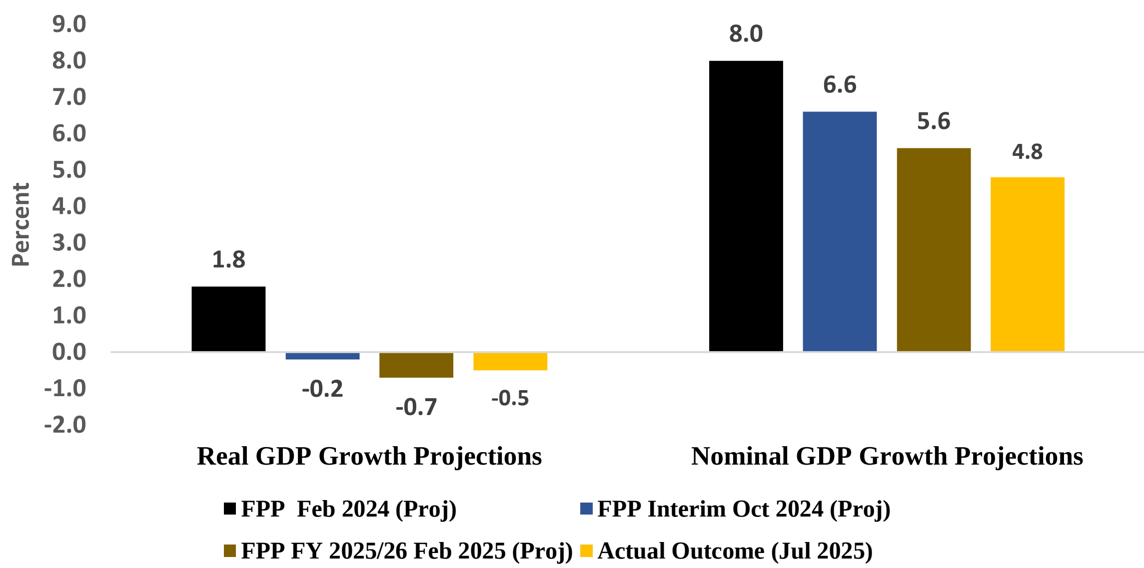
The macroeconomy is susceptible to both natural shocks (e.g. hurricanes) and man-made shocks (e.g. wars and trade conflict). Such events require updates to macroeconomic and fiscal forecasts to support effective government planning. Therefore, when evaluating fiscal outcomes, it is essential to consider the macroeconomic environment and ascertain how key macro variables, such as GDP growth rates and inflation, diverged from initial projections.

1.0 Gross Domestic Product

Real GDP declined by 0.5 percent in FY 2024/25, below the initial projection of 1.8 percent. The initial projection was subsequently revised twice (**Figure 1** and **Table 1**) during the fiscal year:

1) First revision – following Hurricane Beryl in July 2024, the first revision was reflected in the *Fiscal Policy Paper* (*FPP*) for FY 2024/25 *Interim Report* (MOFPS, 2024b).
2) Second revision – Prompted by Tropical Storm Rafael in November 2024 and additional hydrological events that occurred during October–December 2024, another revision was reflected in the *FPP* for FY 2025/26 (MOFPS, 2025a).

Figure 1: *Real and Nominal GDP Growth - Government Projections vs. Actual Outcomes for FY 2024/25*

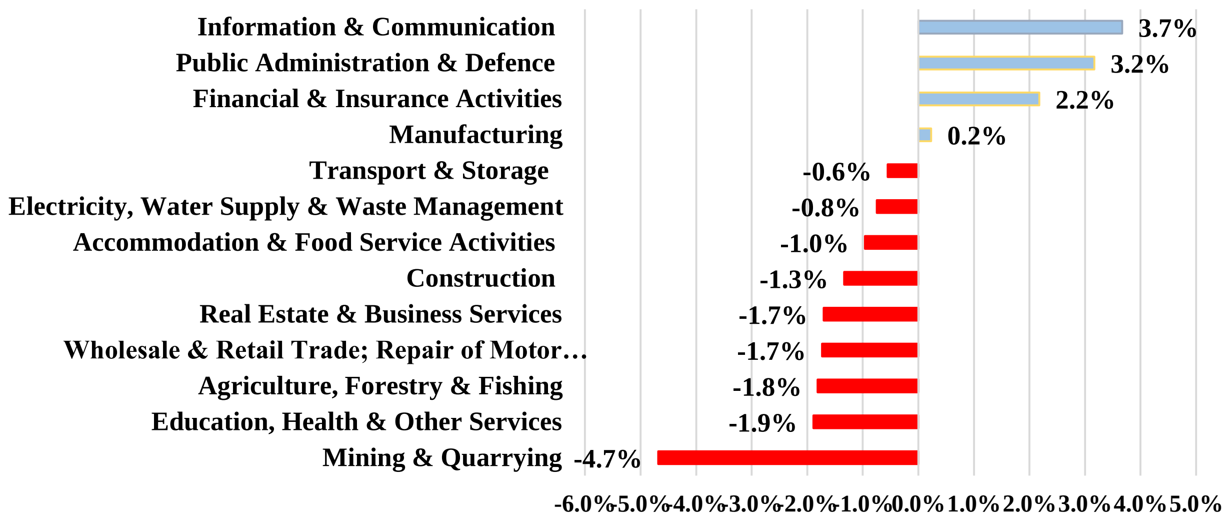


Sources: Compiled using data from the MoFPS and Statin.

Industry Performance

The contraction in real GDP was driven by declines in nine of thirteen industries (**Figure 2**). These declines were primarily due to the impact of Hurricane Beryl and subsequent hydrological shocks, which damaged infrastructure, disrupted agricultural production, and led to the cancellation or rescheduling of some economic activities.

Figure 2: *Year-Over-Year Change in Value Added by Industry*



Source: Compiled using data obtained from Statin.

Revision of the System of National Accounts (SNA)

The Statistical Institute of Jamaica (Statin) implemented a significant update to the *System of National Accounts* (SNA), which included[1]:

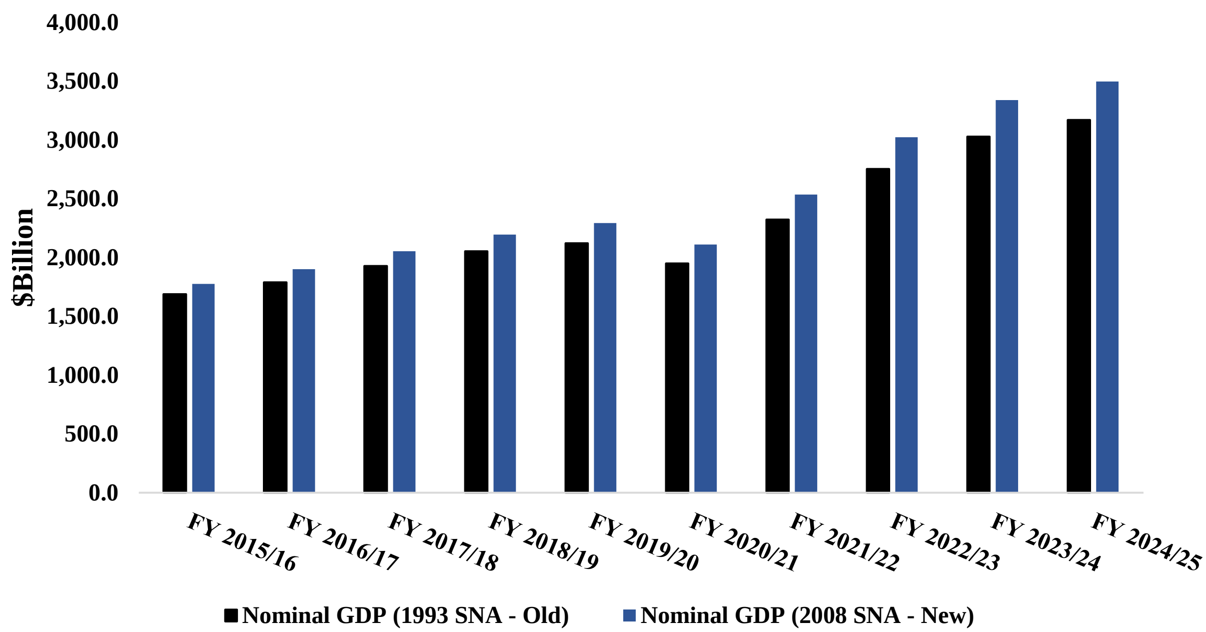
- Transitioning from the 1993 SNA to the 2008 SNA;
- Adopting the Jamaica Industrial Classification (JIC) 2016, replacing JIC 2005;
- Rebasing constant price estimates to 2015 (from 2007); and
- Incorporating new and revised data sources to inform estimates.

As a result, nominal GDP under the 2008 SNA is higher than under the 1993 SNA, reflecting a more comprehensive measurement of economic activity. The difference between the new and old nominal GDP estimates was 5.1 percent in FY 2015/16, which rose to 10.4 percent by FY 2024/25; an average of approximately 8.0 percent over the entire period 2015-2025 (**Figure 3**).

[1] Information released by Statin during July 2025.

This revision has implications for fiscal metrics such as the *Debt/GDP* and *Wages & Salaries/GDP* ratios, which are now lower due to the higher GDP levels. **The IFC posits that the Government of Jamaica should consider recalibrating fiscal parameters to reflect the updated national accounts**.

Figure 3: *Nominal GDP OLD and NEW SNA: 2015 – 2025*



Source: Compiled using data obtained from Statin.

Table 1: Macro-Fiscal Profile

Macroeconomic and Fiscal Indicators	2023/24 (Actual)	2024/25 (App.)	2024/25 (3rd Sup)	2025/26 (Tabled)	2024/25 (Actual)	2024/25 (Actual)/ 2023/24 (Actual)	2024/25 (Actual)/ 2024/25 (3rd Sup)	2025/26 (Tabled)/ 2024/25 (3rd Sup)	2025/26 (Tabled)/ 2024/25 (Actual)
Nominal GDP (J$bn)	3,339.1d	3,606.2d	3,526.1d	3,839.9d	**3,498.0**	158.9	-28.1	313.8	341.9
Nominal GDP growth rate (%)	10.4d	8.0	5.6	8.9	**4.8**	-5.7	-0.8	3.3	4.1
Real GDP growth rate (%)	1.9d	1.8	-0.7	2.2	**-0.5**	-2.4	0.2	2.9	2.7
Inflation: Annual Pt to Pt (%)	5.6	5.8	5.6	5.3	**5.0**	0.6	0.6	-0.3	0.3
180-day Treasury Bill (end-point)	8.1	NA	NA	NA	**5.7**	-2.4	NA	NA	NA
90-day Treasury Bill (end-point)	8.0	NA	NA	NA	**5.7**	-2.3	NA	NA	NA
Average Selling Exchange Rate (J$=US$1)	155.6	NA	NA	NA	**157.6**	2.0 (1.3%)	NA	NA	NA
NIR (US$mn)	5137.3	4781.1	5878.4	5789.6	**5,785.4**	648.1 (12.6%)	-93.0 (-1.6%)	-88.8 (-1.5%)	4.2 (0.1%)
Current Account (%GDP)	2.8d	0.6d	1.5d	0.2d	**3.0**	0.2	1.5	-1.3	-2.8
Oil Prices (WTI) (Average US$ barrel)	77.9r	77.4	75.3	78.2	**74.4**	-3.5 (-4.4%)	-0.9 (-1.1%)	2.9 (3.9%)	3.8 (5.0%)
Revenue & Grants (J$bn)	925.3	1,033.6	1,076.7	1,096.1	**1,058.6**	133.3 (14.4%)	-18.1 (-1.7%)	19.4 (1.8%)	37.5 (3.5%)
Tax Revenue (J$bn)	831.6	899.2	897.0	949.5	**882.8**	51.2 (6.2%)	-14.2 (-1.6%)	52.5 (5.9%)	66.7 (7.6%)
Expenditure (Excluding Amortization) {J$bn}	924.1	1,023.7	1068.7	1,095.3	**1050.9**	126.8 (13.7%)	-17.8 (-1.7%)	26.7 (2.5%)	44.4 (4.2%)
Central Government (CG) Fiscal Balance (J$bn)	1.2	9.9	8.0	0.8	**7.7**	6.5 (554.8%)	-0.4 (-4.5%)	-7.3 (-90.3%)	-6.9 (-89.8.8%)
Specified Pubic Sector (SPS) Fiscal Balance (% GDP)	1.6d	1.2d	1.7d	0.4	**2.8**	1.2	1.1	-1.3	-2.3
CG Primary Balance (J$bn)	173.3	183.7	190.4	178.3	**187.7**	14.3 (8.3%)	-2.7 (-1.4%)	-12.1(-6.3%)	-9.4 (-5.0%)
Specified Public Sector (SPS) Debt (J$bn)	2,222.0	2,212.9	2,198.9	2,217.0	**2,183.8**	-38.2 (-1.7%)	-15.1(-0.7%)	18.1 (0.8%)	33.2 (1.5%)
SPS Debt to GDP (%)	66.5r	61.4	62.4r	57.7r	**62.4**	-4.1	0.0	-4.7	-4.7

NA - Not Available, p-preliminary, r-revised, d-Variations in nominal GDP growth rates and levels for FY 2023/24, as well as nominal GDP projections for FY 2024/25 and FY 2025/26, reflect updates introduced by the revised system of National Accounts and the application of projected growth rates for FY 2024/25 and FY 2025/26.
***Sources*: MOFPS, BOJ and Statin.**

The Planning Institute of Jamaica (PIOJ) estimated that Real GDP[2] grew by 1.4 percent in the April–June 2025 quarter relative to the same quarter in 2024 (PIOJ, 2025). This marked the second consecutive quarter of year-over-year growth, following the economic disruptions caused by Hurricane Beryl and other hydrological events in the second half of 2024. According to the PIOJ, growth was driven by increased external demand, particularly in the *Accommodation & Food Services Activities* industry, which benefited from a rise in tourist arrivals. Growth was supported by economic expansion in Jamaica's main source markets, such as the United States.

Additionally, domestic demand strengthened, fuelled by higher employment levels and improved business and consumer confidence, which contributed to growth across several industries. Nevertheless, the PIOJ noted that overall growth was tempered by declines in the *Mining & Quarrying, Electricity, Water Supply & Waste Management* and *Real Estate & Business Services* industries.

2.0 Labour Market Performance

Despite the contraction in real GDP, Jamaica's labour market[3] remained robust, according to January 2025 data from the Statistical Institute of Jamaica (**Table 2**).

Table 2: Selected Labour Force Statistics, January 2024 to April 2025

	Jan-24	**Apr-24**	**Jan-25**	**Apr-25**	Jan 2025 - Jan 2024	Apr 2025 -Apr 2025
Labour Force	1,486,400	1,483,100	1,473,900	1,494,400	-12,500	11,300
Employed Labour Force	1,405,700	1,420,300	1,419,500	1,444,500	13,800	24,200
Unemployed Labour Force	80,700	62,800	54,500	50,000	-26,200	-12,800
Unemployment Rate (LU1)	5.4	4.2	3.7	3.3	-1.7	- 0.9
Labour Force Participation Rate	68.9	68.8	68.4	69.3	-0.6	0.5

Source: Compiled using data obtained from Statin.

[2] Official GDP data from STATIN for April–June 2025 quarter should be available by the end of September 2025.
[3] Statin's *Labour Force Survey* is fielded four times each year i.e. January, April, July and October.

According to the April 2025 *Labour Force Survey* by Statin, Jamaica's labour market continued to strengthen relative to April 2024. Employment increased by 24,200 to 1,444,500 persons, while the unemployed labour force declined by 12,800 to 50,000 persons, leading to the unemployment rate falling by 0.9 percentage points to 3.3 percent, the lowest on record.

The continued improvement in employment, particularly in the formal sector, is expected to positively impact direct taxes[4], such as the Pay As You Earn (PAYE) income tax. However, the overall effect may be limited due to the recently implemented and planned increases in the income tax threshold. The extent of the impact will also depend on whether or not the new jobs created offer salaries below the annual general income tax threshold. If such salaries are indeed below the threshold, then there will be no *additional* personal income tax revenue for the Government.

3.0 Inflation

Jamaica's 12-month *point-to-point* inflation rate for FY 2024/25 was 5.0 percent, within the Bank of Jamaica's inflation target range of 4.0 percent–6.0 percent (Figure 4). This outcome occurred despite the inflationary impact of hydrological shocks, which contributed to a 7.4 percent increase in the *Food & Non-Alcoholic Beverages* division; the largest component of the Consumer Price Index (CPI).

The upward pressures on prices were offset by declines in other divisions, namely:

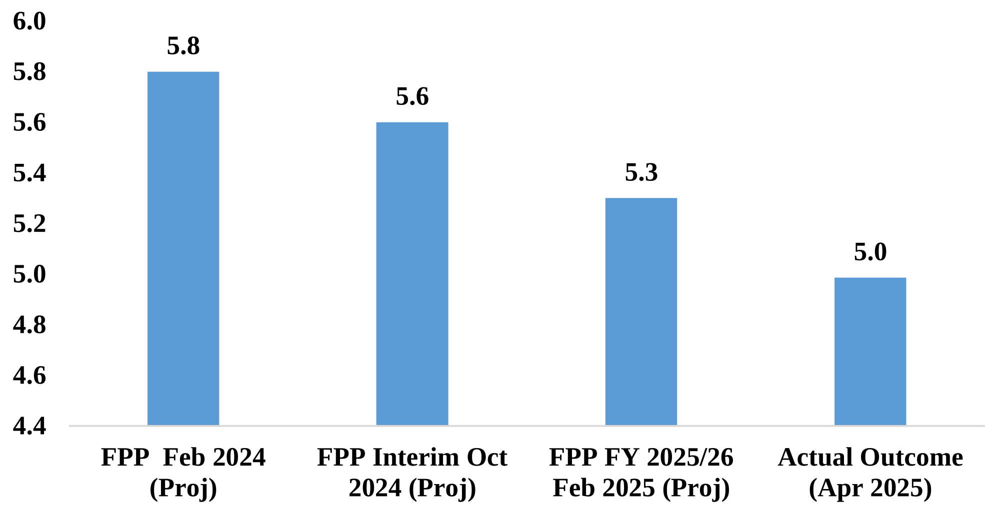
- *Information & Communication*: down 6.7 percent, reflecting rate adjustments in telecommunication services; and
- *Transport*: down 0.1 percent, partly due to lower petrol prices, which were influenced by a 15.7 percent year-over-year decline in the West Texas Intermediate (WTI) crude oil prices as of March 2025.

Inflation during the last fiscal year was further moderated by relative stability in the foreign exchange market.

[4] For an evolution of Jamaica's *"tax mix"* over an extended period, see **Figure A4** in the Appendix. The **IFC notes** the rising share of direct to indirect taxes observed since FY 2021/2022**.** This increase appears to be triggered by the recent wage bill growth and the resulting rise in overall personal income tax revenue. A curtailment in future wage growth is expected to reverse this trend.

As of June 2025, the 12-month *point-to-point* inflation rate fell further to 3.8 percent; just below the BOJ's inflation target range. The divisions that recorded the largest increases were *Education* (9.8 percent), *Restaurants & Accommodation* (6.1 percent) and *Food & Non-Alcoholic Beverages* (4.7 percent). These increases were partially offset by declines in *Information & Communication Services* and *Transport* divisions by 7.1 percent and 0.3 percent, respectively. While the lower inflation rate could dampen nominal revenue growth for some tax types for example, the General Consumption Tax (GCT), this might be counterbalanced by a slower rise in government expenditure on inflation-sensitive items.

Figure 4: *Jamaica's Inflation Rate (%) for FY 2024/25*



Sources: Compiled using data obtained from the MoFPS and Statin.

4.0 Interest Rate

Between August and December 2024, the BOJ reduced its policy rate[5] by a cumulative 1.0 percentage point (or 100 basis points) to 6.0 percent **per annum (**through four incremental reductions of 0.25 percentage point) (**Figure 5**).

BOJ's *Monetary Policy Committee* cited two key factors that influenced its decisions:

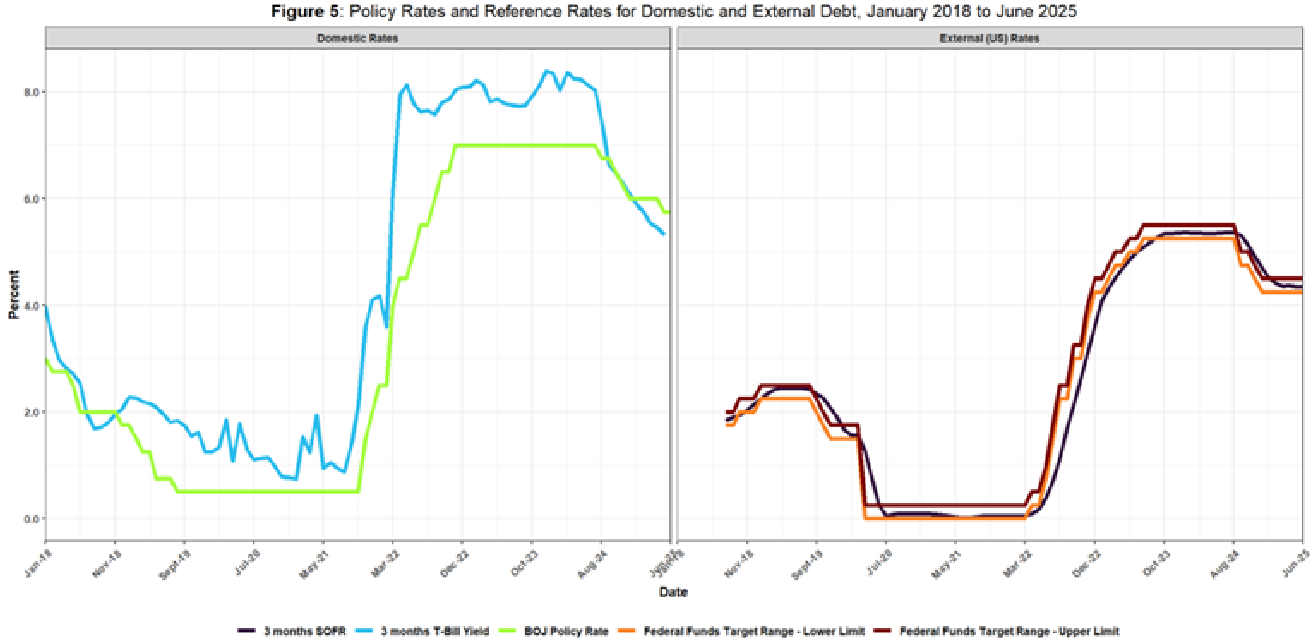
[5] BOJ's policy rate represents the rate per annum offered by the BOJ to deposit-taking institutions on their overnight placements with the central bank.

- The anchoring of inflation within the BOJ's target range; and
- The US' Federal Reserve reduced its policy rate (i.e. the *Fed Funds rate*).

The BOJ maintained the 6.0 percent policy rate for the remainder of the fiscal year, citing increased uncertainty surrounding the economic policies of Jamaica's main trading partners, which could have led to higher import prices (BOJ, 2025a).

The fall in the BOJ's Policy Rate and the Federal Fund Target Rates contributed to a contraction in the 3-month Treasury bill rate (down 2.28 percentage points to 5.75 percent) and the 3-month (90-Day) Average Secured Overnight Financing Rate (down 1.0 percentage point to 4.35 percent), which are used as reference rates to reset the variable interest rates on GOJ domestic and external debt, respectively (**Figure 5**).

Figure 5: Policy Rates and Reference Rates for Domestic and External Debt, January 2018 to June 2025



Sources: Compiled using data from Bank of Jamaica and Federal Reserve Bank of St. Louis

In the first quarter of FY 2025/26, the BOJ further reduced its policy rate by 0.25 percentage point to 5.75 percent per annum, effective 21 May 2025 (BOJ, 2025b) based on the following considerations:

- Inflation remained within the target range;
- Inflation was projected to remain within the target range over the next two years; and

- The initial impact of increased US tariffs on Jamaican prices was expected to be moderate.

Notwithstanding, the BOJ acknowledged upside risks to inflation due partly to:

- A potential rise in inflation expectations; and
- Imported inflation pressures.

Conversely, inflation could be lower than projected due to:

- Stronger than projected decline in international commodity prices; and
- Weaker than anticipated domestic demand.

The reduction in the policy rate and the anchoring of inflation expectations contributed to a contraction in yields on GOJ Treasury bills at the end of June 2025:

- 3-months' Treasury bill yield: declined by 0.44 percentage point to 5.31 percent relative to March 2025; and
- 6-months' treasury bill yield: declined by 0.36 percentage point to 5.38 percent relative to March 2025.

Additionally, the (3-month) 90-Day Average Secured Overnight Financing Rate fell slightly from 4.35 percent in March 2025 to 4.34 percent in June 2025. This reflected the US Federal Reserve's decision in June 2025 to keep its target range unchanged at 4.25 percent–4.50 percent amid uncertainty surrounding new tariff policies and their potential economic impact.

5.0 External Trade and Exchange Rate

The Jamaica dollar remained relatively stable against its United States counterpart throughout FY 2024/25 (**Figure 6**). This stability was supported by:

- Gross international reserves of US$5,826.2 million, representing 29.0 weeks of Goods & Services Imports (well above the 12-week benchmark); and

- Assessing Reserve Adequacy (ARA[6]) metric of 137.8 percent; comfortably exceeding the 100.0 percent benchmark.

Figure 6: Jamaica's Weighted Average Exhange Rate (US$) Movement

Figure 6a: Daily Weighted Average Selling rate for US$1:00, April 2016 to June 2025

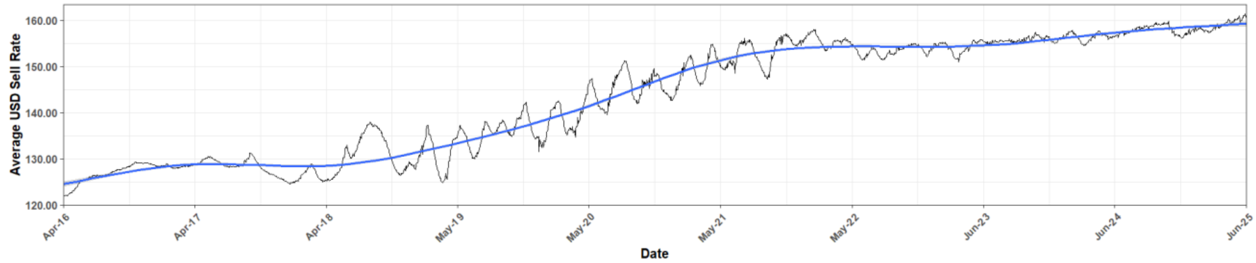
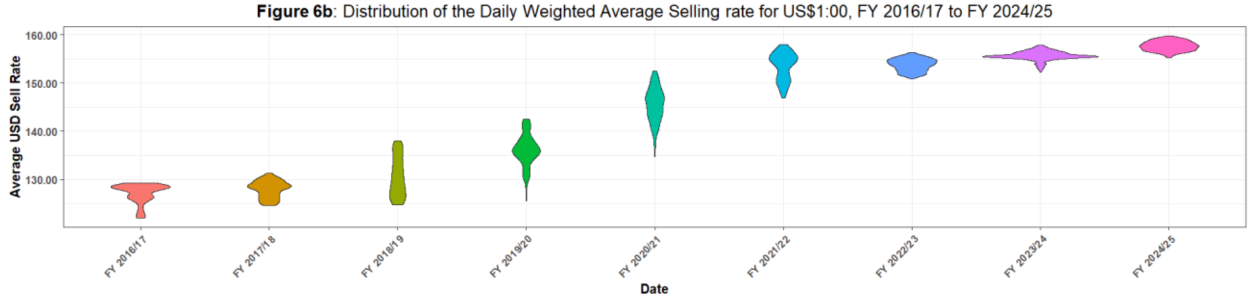


Figure 6b: Distribution of the Daily Weighted Average Selling rate for US$1:00, FY 2016/17 to FY 2024/25

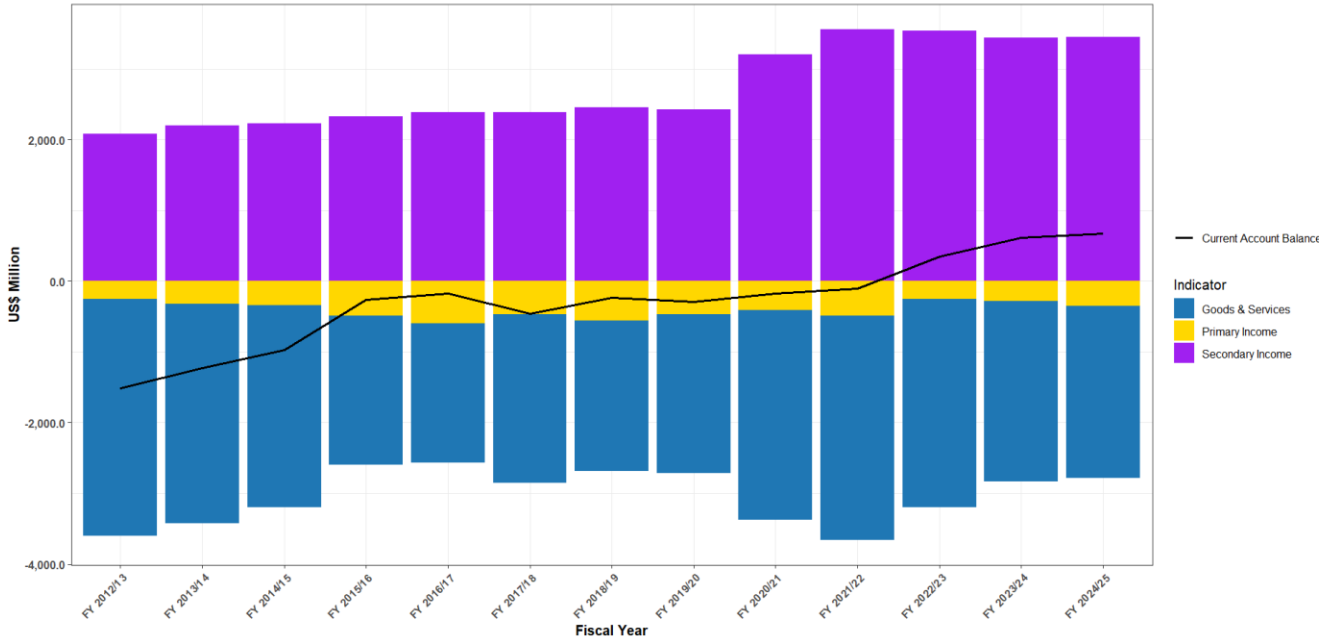


Data Source: Bank of Jamaica

Additionally, Current account surplus on Jamaica's Balance of Payments over the past three years continue to support exchange rate stability, driven in large parts by robust remittance inflows in the Secondary Income account (Figure 7).

[6] The *Assessing Reserve Adequacy* (ARA) framework consists of four key elements, each representing a possible source of pressure on a country's external financial position: exports of goods and services, broad money, short-term external debt and other portfolio liabilities.

Figure 7: Current Account Balance Indicators FY 2012/13–FY 2024/25



Source: Bank of Jamaica

Finally, **throughout the June 2025 quarter**, the BOJ implemented potent measures to maintain relative stability in the foreign exchange market (BOJ, 2025c) supported by gross international reserves of 30.5 weeks of Goods & Services Imports and an ARA metric of 138.0 percent.

SECTION III: Budgetary and Fiscal Overview

1.0 Recapping Fiscal Performance in 2024/2025

Fiscal performance during FY 2024/25 was broadly positive. The Central Government ***Fiscal Balance*** (i.e. Revenue & Grants *minus* Expenditure) and ***Primary Balance*** (i.e. Revenue & Grants minus Non-Debt Expenditure) were **$7.7 billion** (0.2 percent of GDP) and **$187.7 billion** (5.4 percent of GDP), respectively (**Table 1**). This outturn reflected an improvement in fiscal performance compared with FY 2023/24, when the Fiscal Balance and Primary Balance were $**1.2 billion** (0.0 percent of GDP) and **$173.3 billion** (5.2 percent of GDP), respectively.

Central Government's **Revenue & Grants** amounted to **$1,058.6 billion** (30.3 percent of GDP), which was 14.4 percent above collections for FY 2023/24 and 2.4 percent more than originally budgeted (**Table 3**). At the same time, Expenditure totalled **$1,050.9 billion** (30.0 percent of GDP); an increase of 13.7 percent over FY 2023/24 and 2.7 percent above the originally budgeted amount (**Table 3**).

The **Self-Financing Public Bodies** (SFPBs) generated an overall surplus of **$88.9 billion** (2.5 percent of GDP), which was significantly higher than the $34.4 billion originally budgeted. This much larger surplus was mainly attributable to a $49.1 billion underspend in capital projects.

Consequently, the **Specified Public Sector** (i.e. Central Government *plus Self-Financing* Public Bodies exempt from the fiscal rules) generated a budget surplus of **$96.5 billion** (2.8 percent GDP), which contributed toward maintaining the downward debt trajectory. At the end of March 2025, the **debt stock** for the **Specified Public Sector** stood at **$2,183.8 billion** or **62.4 percent of GDP**; down from 66.5 percent the year before.

Table 3: Selected Central Government Budget Summary Indicators for 2024/2025

Indicator	*Actual Outturn(J$M)*	*% of GDP*
Revenue & Grants	**1,058,575.6**	**30.3**
Tax Revenue	882,755.8	25.2
Non-Tax Revenue	170,224.0	4.9
Other Revenue	5,595.8	0.2
Total Expenditure	**1,050,899.6**	**30.0**
Recurrent Expenditure	993,443.8	28.4
Programmes	366,667.7	10.5
Compensation of Employees	446,767.4	12.8
of which Wages & Salaries	423,004.4	12.1
Interest	180,008.7	5.1
Capital Expenditure	57,455.9	1.6
Fiscal Balance	**7,675.9**	**0.2**
Primary Balance	**187,684.7**	**5.4**

Note: Discrepancies due to rounding.

Sources: Compiled by the IFC using data provided by the Ministry of Finance and the Public Service on May 29, 2025 and revised GDP data received from the Statistical Institute of Jamaica on July 11, 2025.

The Government of Jamaica tabled three supplementary budgets in FY 2024/25 as follows:

- ***First Supplementary Budget*** – Tabled in October 2024 and resulted in an increase in Expenditure by $40.4 billion to account for, *inter alia*, the impact of Hurricane Beryl. This was financed through additional Revenue & Grants of $40.2 billion, mainly reflecting excess inflows from the securitization of expected future receipts from the Norman Manley International Airport.
- ***Second Supplementary Budget*** – Tabled in November 2024, it reflected changes from the reassignment of subjects, departments & agencies and other public bodies but did not result in any expenditure or revenue adjustment.
- ***Third Supplementary Budget*** – Tabled in January 2025 and resulted in a net increase in Expenditure of $4.6 billion and Revenue & Grants of $2.9 billion relative to the *Second*

Supplementary Budget. Compared with the original budget, the Third Supplementary Budget reflected a net rise in Revenue & Grants and Expenditure of $43.1 billion and $44.9 billion, respectively.

Of note, the ***Fiscal Balance*** and ***Primary Balance*** (i.e. **0.2 percent** of GDP and **5.4 percent** of GDP, respectively) (**Table 3**) were **broadly in line** with their corresponding programmed values under the *Third Supplementary Estimates* and the *Initial Budget* **(Table 4** and **Table 5**).[7] Notwithstanding, **Tax Revenue** of $882.8 billion was lower than originally budgeted by $16.5 billion (1.8 percent) and $14.2 billion (1.6 percent) less than estimated under the *Third Supplementary Estimates* (**Table 6**). The bulk of the shortfall occurred in March; the last month of the fiscal year when income tax returns are due. It is against this backdrop that **the IFC reiterates its call for the GOJ to shift the due date for tax returns from March to a month in the first quarter of the fiscal year to better manage the risks associated with revenue shortfalls**. In terms of ***individual tax types***, their respective revenue performance[8] was mixed (**Table 7**).

[7] **Boxes 2A and 2B** provide a summary of the key Actual outturns relative to the Initial Budget for 2024/2025 and April to June 2025. The IFC adjusted the MoFPS' programmed values to reflect Statin's revised GDP values.
[8] **Figure A1** illustrates the respective revenue percentage contributions of the major tax types over an extended period.

Box 2A: *Central Govt. Summary Outturns for 2024/2025*

Relative to Approved Budget

Revenue & Grants surpassed Budget by **2.4 percent**.

Tax Revenue fell below Budget by **1.8 percent**.

Non-Tax Revenue exceeded Budget by **32.1 percent**.

Expenditure surpassed Budget by **2.7 percent**.

Recurrent Expenditure exceeded Budget by **5.3 percent**.

Wages & Salaries surpassed Budget by **2.1 percent**.

Interest exceeded Budget by **3.6 percent**.

Fiscal Balance below Budget by **22.2 percent**.

Primary Balance higher than Budget by **2.2 percent**.

Source: IFC compilation based on data from the Ministry of Finance and the Public Service.

Table 4: Third Supplementary Estimates *versus* Actual Outturn for Selected Central Government Budget Summary Indicators for 2024/2025

Indicator	*Actual Outturn*	*Third Suppl. Estimates*	*Difference: Actual Outturn vs. Third Supp.*	*Diff. (%)*	*Third Suppl. Estimates as a % of GDP*
Revenue & Grants	**1,058,575.6**	**1,076,686.1**	**-18,110.5**	**-1.7**	**30.8**
Tax Revenue	882,755.8	896,957.8	-14,202.0	-1.6	25.6
Non-Tax Revenue	170,224.0	174,017.2	-3,793.2	-2.2	5.0
*Other Reven*ue	5,595.8	5,711.1	-115.3	-2.0	0.2
Total Expenditure	**1,050,899.6**	**1,068,652.5**	**-17,752.9**	**-1.7**	**30.6**
Recurrent Expenditure	993,443.8	1,006,916.3	-13,472.5	-1.3	28.8
Programmes	366,667.7	370,698.1	-4,030.5	-1.1	10.6
Compensation of Employees	446,767.4	453,871.3	-7,103.9	-1.6	13.0
of which Wages & Salaries	423,004.4	427,656.6	-4,652.2	-1.1	12.2
Interest	180,008.7	182,346.8	-2,338.1	-1.3	5.2
Capital Expenditure	57,455.9	61,736.2	-4,280.4	-6.9	1.8
Fiscal Balance	**7,675.9**	**8,033.6**	**-357.6**	**-4.5**	**0.2**
Primary Balance	**187,684.7**	**190,380.4**	**-2,695.8**	**-1.4**	**5.4**

Notes: J$ Million. Discrepancies due to rounding.

Sources: Compiled by the IFC using data provided by the Ministry of Finance and the Public Service on May 29, 2025 and revised GDP data received from the Statistical Institute of Jamaica on July 11, 2025.

Table 5: Original Budget *versus* Actual Outturn for Selected Central Government Budget Summary Indicators for 2024/2025

Indicator	*Actual Outturn*	*Original Budget*	*Difference: Actual Outturn vs. Orig. Budget*	*Diff. (%)*	*Orig. Budget as a % of GDP*
Revenue & Grants	**1,058,575.6**	**1,033,594.4**	**24,981.2**	**2.4**	**29.5**
Tax Revenue	882,755.8	899,232.6	-16,476.8	-1.8	25.7
Non-Tax Revenue	170,224.0	128,844.6	41,379.4	32.1	3.7
Other Revenue	5,595.8	5,517.2	78.6	1.4	0.2
Total Expenditure	**1,050,899.6**	**1,023,725.1**	**27,174.5**	**2.7**	**29.3**
Recurrent Expenditure	993,443.8	943,725.1	49,718.7	5.3	27.0
Programmes	366,667.7	327,848.7	38,819.0	11.8	9.4
Compensation of Employees	446,767.4	442,047.7	4,719.7	1.1	12.6
of which Wages & Salaries	423,004.4	414,197.8	8,806.6	2.1	11.8
Interest	180,008.7	173,828.7	6,180.0	3.6	5.0
Capital Expenditure	57,455.9	80,000.0	-22,544.1	-28.2	2.3
Fiscal Balance	**7,675.9**	**9,869.3**	**-2,193.4**	**-22.2**	**0.3**
Primary Balance	**187,684.7**	**183,698.0**	**3,986.7**	**2.2**	**5.3**

Notes: J$ Million. Discrepancies due to rounding.

Sources: Compiled by the IFC using data provided by the Ministry of Finance and the Public Service on May 29, 2025, revised GDP data received from the Statistical Institute of Jamaica on July 11, 2025 and the *Interim FPP 2024/25* (Appendix 1, Page 3).

2.0 Fiscal Performance: April to June 2025

Box 2B illustrates the budgetary outturns for the Central Government, April to June 2025. At end-June 2025, the Central Government operations generated a **Fiscal deficit** of $38.2 billion, which was better than originally budgeted. Meanwhile, a **Primary deficit** of $1.2 billion was generated compared with the $19 billion initially targeted (**Table 6**).

Box 2B: *Central Govt. Summary Outturns for April-June 2025*

Relative to Original Budget

Revenue & Grants in line with Budget.

Tax Revenue below Budget by **0.7 percent**.

Non-Tax Revenue exceeded Budget by **16.3 percent**.

Expenditure below Budget by **6.5 percent**.

Recurrent Expenditure below Budget by **3.3 percent**.

Wages & Salaries below Budget by **0.3 percent**.

Interest below Budget by **2.2 percent**.

Capital Expenditure below Budget by **52.6 percent.**

Fiscal Balance better than Budget by **32.8 percent**.

Primary Balance better than **Budget** by **93.9 percent**.

Source: IFC compilation based on data from the Ministry of Finance and the Public Service.

Table 6: Budgeted and Actual Outturns for Selected Central Government Budget Indicators for April to June 2025

Indicator	*Original Budget Apr. – June 2025*	*Actual Outturn Apr. – June 2025*	*Difference*	*Diff (%)*
Revenue & Grants	**232,172.2**	**232,188.9**	**16.7**	**0.0**
Tax Revenue	214,831.4	213,305.6	-1,525.7	-0.7
Non-Tax Revenue	15,801.5	18,378.8	2,577.3	16.3
Other Revenue	1,539.4	504.6	-1,034.8	-67.2
Total Expenditure	**289,085.7**	**270,437.1**	**-18,648.6**	**-6.5**
Recurrent Expenditure	270,516.5	261,628.0	-8,888.5	-3.3
Programmes	102,477.1	96,433.9	-6,043.2	-5.9
Compensation of Employees	130,094.7	128,099.8	-1,994.8	-1.5
of which Wages & Salaries	121,714.2	121,310.0	-404.2	-0.3
Interest	37,944.7	37,094.2	-850.5	-2.2
Capital Expenditure	18,569.1	8,809.1	-9,760.1	-52.6
Fiscal Balance	**-56,913.4**	**-38,248.1**	**18,665.3**	**32.8**
Primary Balance	**-18,968.7**	**-1,153.9**	**17,814.8**	**93.9**

Note: J$ Million.

Source: Compiled by the IFC using data obtained from the MoFPS on July 31, 2025.

Against the backdrop of Jamaica's continued solid fiscal consolidation efforts, the stock of **Public Debt** outstanding for the ***Specified Public Sector*** at the end of June 2025 stood at **$2.2 trillion**, down $34.8 billion (1.6 percent) from the level recorded at the end of June 2024. Of note, the ***debt-to-GDP*** **ratio** at end-March 2025 was **62.4 percent** compared with 66.5 percent at end-March 2024. The *debt-to-GDP* ratio remains on a downward trajectory; a positive outcome of the continued robust fiscal consolidation efforts being pursued by the GOJ (**Figure 8** depicts an evolution of the country's public debt-to-GDP ratio up to the end of March 2025). Based on the new GDP data and the IFC's imputations, **the legislated debt-to-GDP ratio of 60.0 percent is expected to be met by the end of fiscal year 2025/2026, two years earlier than the timeline of March 2028 (Table 7)**.

Table 7: Jamaica's Debt-to-GDP Ratio, 2015-2029

Fiscal Year	Debt-to-GDP Ratio (previous)	Debt-to-GDP Ratio (revised)	Change in Debt-to-GDP ratio (p.p.)
2015/16	122.5	116.5	-6.0
2016/17	120.7	113.5	-7.2
2017/18	101.2	95.1	-6.1
2018/19	94.4	88.3	-6.1
2019/20	94.9	87.7	-7.1
2020/21	109.7	101.3	-8.4
2021/22	94.2	86.3	-7.9
2022/23	77.0	70.2	-6.9
2023/24	73.4	66.5	-6.9
2024/25	68.9	62.4	-6.5
2025/26*	64.2	58.2	-6.0
2026/27*	61.5	55.7	-5.8
2027/28*	59.3	53.7	-5.6
2028/29*	56.4	51.1	-5.3

Notes: p.p. means percentage point. Based on imputations using the newly revised GDP data, the legislated debt-to-GDP of 60.0 percent is projected to be met by the end of the 2025/2026 fiscal year, *all other things being equal*.

Sources: IFC computations based on data from the Ministry of Finance and the Public Service and Statin.

Revenue & Grants for the April to June 2025 period was on target while **Expenditure** fell below the budgeted amount by $18.6 billion (6.5 percent).

Tax Revenue of $213.3 billion performed broadly in line with budget, reflecting a slight shortfall of $1.5 billion or 0.7 percent. Notwithstanding, the performance of the individual tax types was mixed. Notable shortfalls were registered by: PAYE, Other Individuals (self-employed), Other Licences and Bauxite/Alumina income tax. These shortfalls were partly offset by over-performance in the GCT (Local and Import), SCT (Local), Tax on Interest, Travel Tax and Stamp Duty (Local).

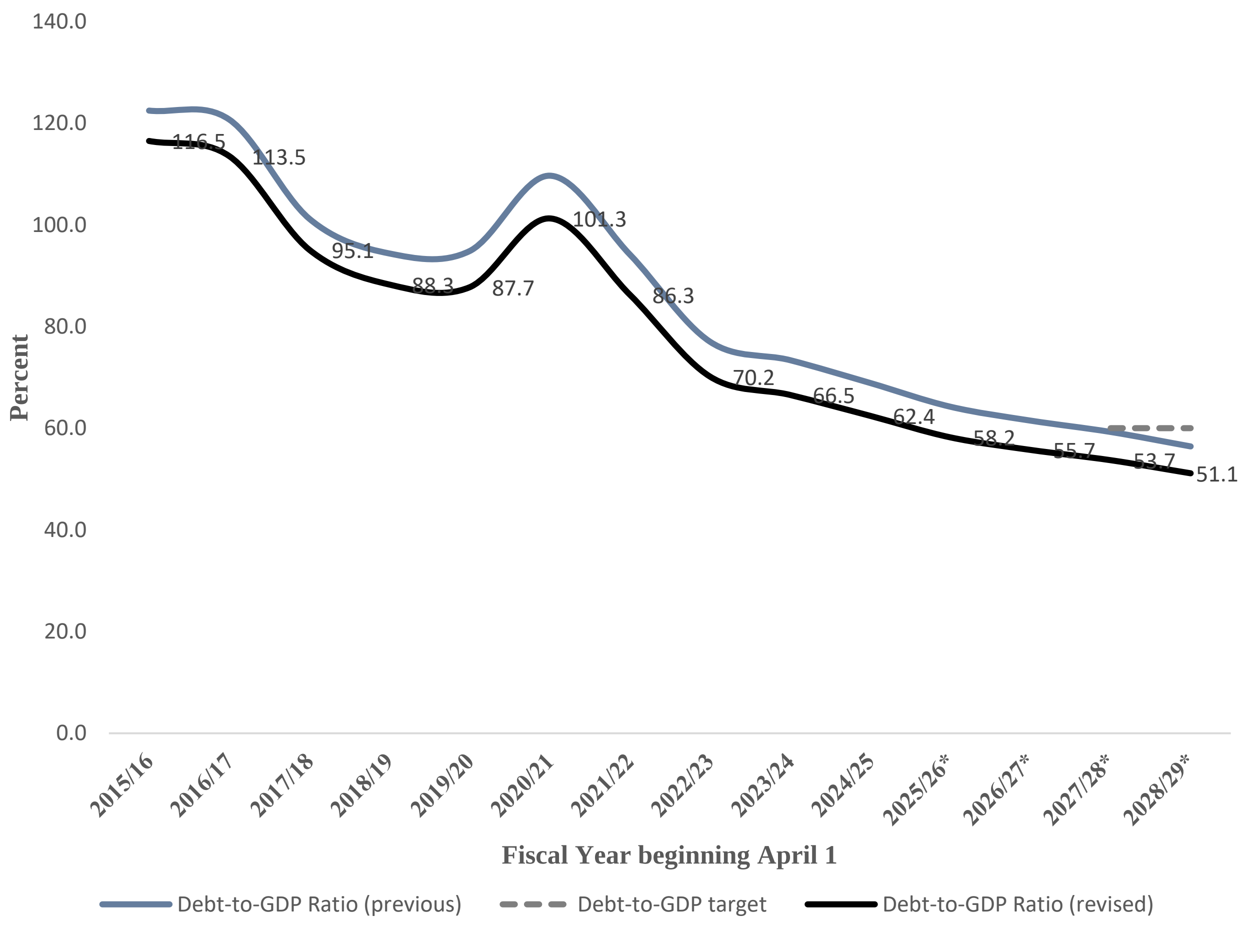
Additionally, relative to the corresponding quarter last year, Tax Revenue increased nominally by only $4.4 billion (2.1 percent); a real reduction given *point-to-point* inflation of 3.8 percent in June 2025. PAYE and SCT (Imports) were among the main tax types that registered declines, with the latter primarily impacted by lower import values and volumes for specific products. The PAYE fallout that occurred in June due to delayed payments was however largely recovered in July.

Non-Tax Revenue of $18.4 billion for the review period exceeded the original targeted amount by $2.6 billion (or 16.3 percent) mainly due to a larger than anticipated interest receipts from loans under the *Petro Caribe Development Fund* as well as increased inflows from the Public Service Pension Scheme in June 2025 caused by previous delays in payments of such contributions.

Grant receipts fell below the budgeted sum by $1.0 billion or 67.2 percent, due mainly to delays in disbursements associated with the slower-than-planned pace of capital projects execution.

Regarding **Expenditure** for the review quarter, spending in all categories were under budget, led by ***Capital*** ($9.8 billion) and ***Recurrent Programmes*** ($6.0 billion) due partly to procurement delays that slowed the execution of some programmes. **Table 8** elaborates on the factors behind the underspending.

Figure 8: *Jamaica's Debt-to-GDP Ratio, 2015-2029*



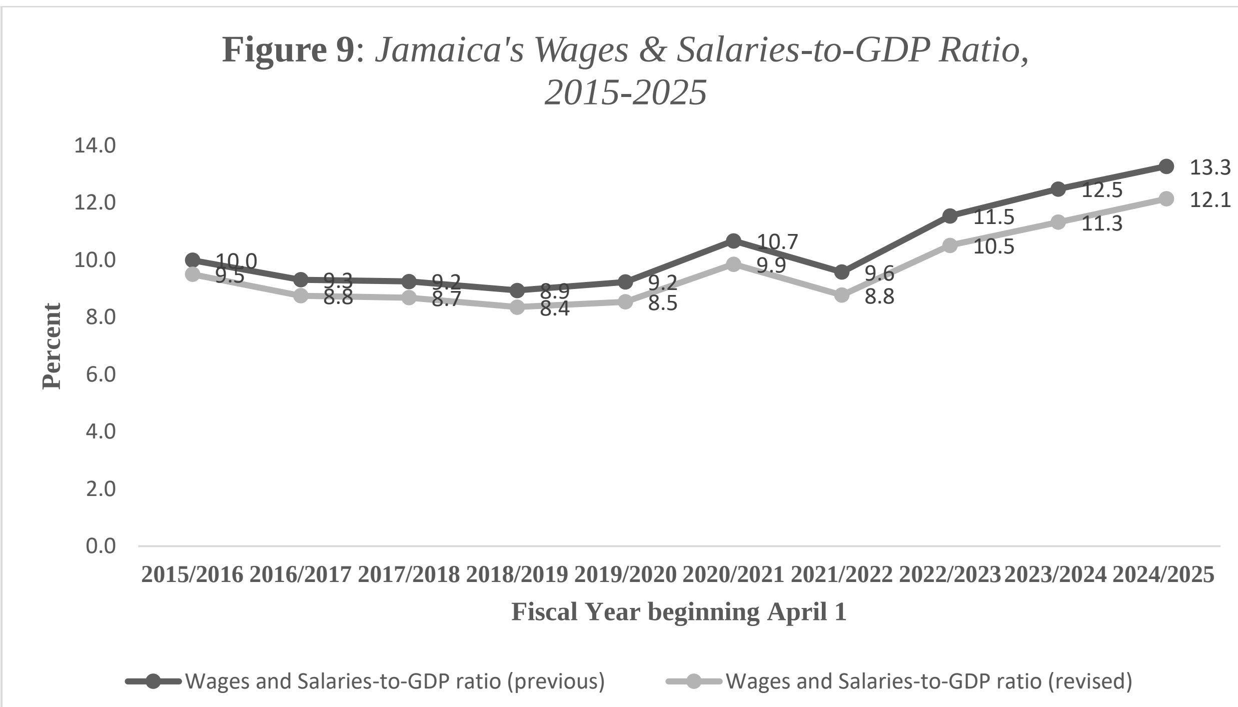
Notes: Revised GDP numbers for the period March 2015 to March 2025 were provided by the Statistical Institute of Jamaica on July 11, 2025. The revised GDP figure for the June 2025 quarter was not available at the time of compilation. An asterisk represents a fiscal year with a projected value.

Sources: Imputations by the IFC based on data obtained from the MoFPS and the Statistical Institute of Jamaica.

The IFC notes that the underspending *does not* represent true savings but rather a delay or slowness in the pace of execution of projects and programmes. This is of considerable concern particularly with regards to Capital projects amid the adverse implications for economic growth. Moreover, while *Recurrent Programmes* and *Wages & Salaries*[9] increased

[9] Wages & Salaries to GDP ratio at end-March 2025 remains elevated at 12.1 percent (*albeit* down from the previous 13.3 percent before the recent revision of the GDP numbers by Statin (**Figure 9**).

over the similar period in 2024 by $10.6 billion (12.4 percent) and $17.0 billion (16.2 percent), respectively, spending on Capital projects declined sharply by $6.4 billion (42.2 percent) *year-over-year*. Furthermore, it appears that procurement challenges represent only a partial contributing factor to the capital expenditure *year-over-year* deviation. Consequently, the IFC reiterates that Government, in its commitment to pivot to faster growth, should take urgent steps to alleviate the impediments (including capacity constraints within Ministries, Departments and Agencies) in order to secure full utilization of the capital budget allocation in a fiscal year given its potential contribution to economic growth.



Note: This diagram illustrates the magnitude of reduction in the *Wage & Salaries-to-GDP* ratio due to the upward revision in Statin's GDP numbers.

Sources: IFC computations based on data from the Ministry of Finance and the Public Service and Statin.

Table 8: Explanations for Major Fiscal Deviations from Original Budget - April to June 2025						
REVENUE						
	$J Million					
Tax Item	**Provisional**	**Original Budget**	**Difference**	**Difference (%)**	**MoFPS' Explanation for Deviation**	**IFC Comments**
Total Tax Revenue	**213,305.6**	**214,831.4**	**-1,525.7**	**-0.7**		
Income and Profits	**66,547.5**	**70,657.5**	**-4,110.0**	**-5.8**		
Bauxite/Alumina	**361.6**	**978.3**	**-616.7**	**-63.0**	The below budget collections reflected lower than projected payment of Bauxite/Alumina arrears due to losses experienced by entities within the sector.	Explanation is reasonable.
					PAYE inflows for Q1 of FY 2025/26 were tempered by lower payments from three large sectors: *Financial Intermediation*, *Public Administration and Real Estate*, *Renting & Business Activities*, resulting from operational challenges that constrained tax contributions. The	

PAYE	**34,553.2**	**40,244.2**	**-5,690.9**	**-14.1**	outturn of $8.1 billion collected in June, which reflects a significant deviation from the amounts received in the previous months, contributed significantly to the below budget outturn for the quarter. The outturn for July 2025 reflects a partial recovery.	Explanation is reasonable.
Tax on Dividend	**874.2**	**786.0**	**88.2**	**11.2**	Dividend inflows were bolstered by higher average yields per share, particularly among the manufacturing companies.	Explanation is reasonable.
Other Individuals	**1,752.2**	**2,634.7**	**-882.5**	**-33.5**	The below budget collections partly reflected refunds ($328.8 million) paid during the quarter.	Explanation is inadequate as the bulk of the deviation remains unexplained.
					Tax on Interest partly benefitted from a growth in savings (up 8.5%) and time deposits (up 15.6%) during the April to June quarter of FY 2025/26. In addition, refunds paid for the quarter were	

Tax on Interest	**10,097.8**	**8,308.7**	**1,789.1**	**21.5**	significantly lower than projected.	Information provided is insufficient to determine reasonableness. The MoFPS while indicating the magnitude of refunds budgeted and paid out, such information was insufficient to explain the overall deviation. Furthermore, it was not specifically indicated if the growth rates in savings and time deposits were above expectations.
Production and Consumption	**69,225.6**	**67,467.7**	**1,757.9**	**2.6**		
SCT (Local)	**6,170.8**	**5,553.9**	**617.0**	**11.1**	Local SCT for Q1 of FY 2025/26 benefitted largely from increased sales of petroleum and petroleum related products during the first quarter of the fiscal year. This occurred within the context of an increase in the Refined Petroleum Products' producer price index. Similarly, the Food, Beverages & Tobacco producer price index increased for the period.	Information provided by the MoFPS is inadequate to determine reasonableness. In the absence of information on the decomposition of the quarterly Petroleum SCT revenue into its *Specific* and *Ad Valorem* components (in terms of Actual versus Budgeted), the IFC was unable to validate this explanation. Furthermore, the Ministry did not state whether the increased sales and Producer Price Indices were actually above expectations.

Other Licences	**553.3**	**1,013.8**	**-460.5**	**-45.4**	The performance of Other Licences was largely impacted by significantly lower inflows specifically from telecommunications licences.	Explanation is inadequate.
Quarry Tax	**37.9**	**117.6**	**-79.7**	**-67.8**	Lower Quarry Tax collections for the quarter partly reflect an estimated contraction in the *Mining and Quarrying* sector (PIOJ estimated a 3.5% contraction).	Information provided by the Ministry is inadequate as the quantum of the shortfall far exceeds the contraction in the referenced sector.
Contractors' Levy	**647.5**	**823.8**	**-176.2**	**-21.4**	Collections were lower than projected due to low compliance.	Information provided by the Ministry is inadequate to determine reasonableness of the explanation.
					The higher than anticipated inflows from Stamp Duty for Q1 of FY 2025/26 partly reflects extraordinary transactions relating to property transactions and unsettled postings to NHT's Composition Accounts within the quarter. Moreover, there were	

Stamp Duty (Local)	**2,624.6**	**1,768.1**	**856.5**	**48.4**	considerable increases in motor vehicle and mortgage loans.	Explanation is reasonable.
International Trade	**77,532.5**	**76,706.2**	**826.3**	**1.1**		
Travel Tax	**7,642.1**	**7,252.6**	**389.5**	**5.4**	Travel Tax collections for the quarter were positively impacted by an increase in the number of taxable passengers. The discouragement of third-party payments, (with 4 airlines terminating their remittances through third-party arrangements) also improved tax compliance. Additionally, there has been greater enforcement of penalty fees for late payments.	Explanation is reasonable.

NON-TAX REVENUE	**18,378.8**	**15,801.5**	**2,577.3**	**16.3**	**Non-Tax Revenue benefitted from higher than anticipated interest from loans under the *Petro Caribe Development Fund* in April 2025. Additionally, increased inflows from the Public Service Pension Scheme in June 2025 were influenced by previous delays in payments of such contributions.**	**Explanation is reasonable.**
GRANTS	**504.6**	**1,539.4**	**-1,034.8**	**-67.2**	**Grants outturn was impacted by delays in disbursements, likely associated with a slower-than-planned pace of capital projects execution.**	**Explanation is reasonable.**

EXPENDITURE						
	$J Million					
Tax Item	Provisional	Original Budget	Difference	Difference (%)		IFC Comments
Recurrent Expenditure	**261,628.0**	**270,516.5**	**-8,888.5**	**-3.3**		
Programmes	**96,433.9**	**102,477.1**	**-6,043.2**	**-5.9**	The below budget spending for Q1 of FY 2025/26 was partly due to procurement delays that hindered the implementation of some programmes. It should be noted however that reforms to Jamaica's public procurement system are being implemented with focus on efficiency, transparency and value for money. The targeted improvements include leveraging electronic procurement (GOJEP), increasing thresholds for single-source procurement and streamlining the approval processes.	Explanation is partially reasonable. Given the MoFPS' intimate knowledge of the procurement challenges, the target for Q1 appeared ambitious.
Wages & Salaries	**121,310.0**	**121,714.2**	**-404.2**	**-0.3**		

Employers' Contribution	**6,789.8**	**8,380.5**	**-1,590.6**	**-19.0**	The first quarter budget reflected projected payment of NHT arrears of $1,378.6mn which will be reflected in the second quarter.	Explanation is reasonable.
Interest	**37,094.2**	**37,944.7**	**-850.5**	**-2.2**		
Domestic	**18,045.2**	**15,911.9**	**2,133.3**	**13.4**	The above budget domestic interest payments reflect the greater stock of outstanding domestic debt compared to the projection in January of 2025 due to the higher than planned borrowing during the months of February and March of the last fiscal year. This strategic decision to borrow more than scheduled was taken to ensure adequate resources were available to meet budgetary obligations during the first quarter of the ensuing fiscal year.	Explanation is reasonable.

External	**19,049.0**	**22,032.8**	**-2,983.8**	**-13.5**	External interest payments were lower than budget due to reduction in the *Secured Overnight Financing Rate* (SOFR) to which portions of the external debt servicing is aligned as well as lower than projected average exchange rate for the period under review.	Explanation is reasonable.
Capital Expenditure	**8,809.1**	**18,569.1**	**-9,760.1**	**-52.6**	**The under-spend on Capital reflected slower-than-programmed pace of execution of several planned public sector investment projects that were impacted, in some instances, by procurement challenges and inadequate personnel.**	**Explanation is inadequate. Given the known and well-documented procurement challenges and capacity constraints, the MoFPS and other MDAs ought to incorporate these inhibiting factors when setting expenditure targets.**

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

Table 9a: Actual Outturns for Selected Central Government Budget Indicators for April-June 2025 *vis-à-vis* April-June 2024

Indicator	*Actual Outturn Apr. – June 2025*	*Actual Outturn Apr. – June 2024*	*Difference*	*Year-Over-Year (%)*
Revenue & Grants	**232,188.9**	**224,877.2**	**7,311.7**	**3.3**
Tax Revenue	213,305.6	208,920.1	4,385.5	2.1
Non-Tax Revenue	18,378.8	14,464.9	3,913.8	27.1
Grants	504.6	1,492.1	-987.6	-66.2
Total Expenditure	**270,437.1**	**251,265.7**	**19,171.4**	**7.6**
Recurrent Expenditure	261,628.0	236,035.1	25,592.9	10.8
Programmes	96,433.9	85,813.6	10,620.4	12.4
Compensation of Employees	128,099.8	110,486.1	17,613.7	15.9
Wages & Salaries	121,310.0	104,353.1	16,956.9	16.2
Employers' Contribution	6,789.8	6,133.0	656.8	10.7
Interest	37,094.2	39,735.4	-2,641.2	-6.6
Domestic	18,045.2	18,412.0	-366.8	-2.0
External	19,049.0	21,323.5	-2,274.4	-10.7
Capital Expenditure	8,809.1	15,230.5	-6,421.5	-42.2
Fiscal Balance	**-38,248.1**	**-26,388.5**	**-11,859.7**	**-44.9**
Primary Balance	**-1,153.9**	**13,347.0**	**-14,500.9**	**-108.6**

Notes: J$ Million.

Sources: Compiled by the IFC using data obtained from the Ministry of Finance and the Public Service on July 31, 2025.

Table 9b: Original Budget Estimates for April to June 2024 *versus* Outturns for April to June 2025 by Tax Type

	Actual Outturn Apr. – June 2025	*Actual Outturn Apr. – June 2024*	*Difference*	*Year-Over-Year (%)*
Revenue & Grants	**232,188.9**	**224,877.2**	**7,311.7**	**3.3**
Tax Revenue	**213,305.6**	**208,920.1**	**4,385.5**	**2.1**
Income and Profits	**66,547.5**	**66,615.9**	**-68.4**	**-0.1**
Bauxite/Alumina	361.6	0.0	361.6	n.a.
Other Companies	18,908.4	18,048.1	860.3	4.8
PAYE	34,553.2	35,804.3	-1,251.1	-3.5
Tax on Dividend	874.2	795.7	78.5	9.9
Other Individuals	1,752.2	1,733.8	18.4	1.1
Tax on Interest	10,097.8	10,233.9	-136.1	-1.3
Production and Consumption	**69,225.6**	**67,071.7**	**2,153.9**	**3.2**
Minimum Business Tax	22.0	21.3	0.7	3.3
SCT (Local)	6,170.8	4,707.7	1,463.1	31.1
Environmental Levy (Local)	243.4	223.2	20.2	9.1
Motor Vehicle Licences	1,356.0	1,324.5	31.6	2.4
Other Licences	553.3	924.2	-370.9	-40.1
Quarry Tax	37.9	106.3	-68.4	-64.4
Betting, Gaming and Lottery	2,300.7	2,094.5	206.3	9.8
Accommodation Tax	912.7	892.2	20.5	2.3
Education Tax	12,912.2	12,406.1	506.1	4.1
Telephone Call Tax	614.5	679.4	-64.9	-9.6
Contractors' Levy	647.5	788.8	-141.3	-17.9
GCT (Local)	40,829.9	40,659.6	170.3	0.4
Stamp Duty (Local)	2,624.6	2,243.9	380.7	17.0
International Trade	**77,532.5**	**75,232.5**	**2,300.0**	**3.1**
Custom Duty	17,084.7	16,217.1	867.6	5.3
Stamp Duty	1,154.7	1,023.3	131.4	12.8
Travel Tax	7,642.1	7,145.8	496.3	6.9
GCT (Imports)	32,779.7	31,025.7	1,754.0	5.7
SCT (Imports)	17,500.0	18,533.8	-1,033.8	-5.6
Environmental Levy (Imports)	1,371.2	1,286.8	84.4	6.6
Non-Tax Revenue	**18,378.8**	**14,464.9**	**3,913.8**	**27.1**
Bauxite Levy	**0.0**	**0.0**	**0.0**	**n.a.**
Grants	**504.6**	**1,492.1**	**-987.6**	**-66.2**

Notes: J$ Million. Discrepancies due to rounding. n.a. means Not Applicable.

Source : Compiled by the IFC using data obtained from the MOFPS on July 31, 2025.

Of note, the GOJ tabled a *Supplementary* budget in July 2025, which increased expenditure by 1.0 percent ($10.5 billion) while holding tax revenue broadly unchanged. These *First Supplementary Estimates* did not account for the impact of the revenue shortfall in the last quarter in FY 2024/25, particularly in March, on the expected revenue yields for FY 2025/26. Looking ahead, the IFC anticipates that the Ministry - in the upcoming *Second Supplementary* Estimates and the related Interim *Fiscal Policy Paper* due by end-September - will provide a fulsome assessment of revenue performance for FY 2024/25 and for the current fiscal year to date, with adjustments to the forecasts where warranted.

3.0 Analysis of the Public Bodies

At end-June 2025, preliminary data revealed that the **Self-Financing Public Bodies** ran an overall balance surplus of **$25.6 billion** compared with a budgeted deficit of $0.2 billion. The higher-than-anticipated balance was primarily due to a $10.6 billion under expenditure in Capital.

The combined effect of the surplus by the SFPBs and a $38.2 billion Central Government deficit is an overall **Specified Public Sector** deficit of **$12.6 billion** for the period April to June 2025 (compared with an overall surplus of $5.3 billion at the end of the corresponding period in 2024).

IFC notes that the improvement in the SFPBs' overall balance surplus primarily arose from the large under-execution in capital projects during the review quarter, similar to what obtained with the Central Government. Accordingly, the Specified Public Sector experienced a first quarter Capital Budget under-execution of $20.3 billion. This slow pace of delivery has created much uncertainty surrounding the GOJ's capacity to exhaust the remaining 87.7 percent of the $163.8 billion total capital expenditure allocation to the Specified Public Sector for FY 2025/26.

4.0 Counterfactual Analysis

Despite shocks to the economy that contributed to a shortfall in revenue outturn and increased expenditure associated with the recovery, rehabilitation and restoration efforts arising from the passage of Hurricane Beryl, the country *met* its targeted fiscal balance and primary balance (as a percentage of GDP) for FY 2024/25. This achievement was mainly the result of excess inflows of

$41.4 billion from the securitization of receivables from the Norman Manley International Airport alongside a $22.5 billion reduction in capital expenditure.

Amid the huge revenue fallout in FY 2024/25, the IFC explored a *counterfactual* simulation to ascertain the fiscal implications for the following fiscal year. The Central Government budgeted Tax Revenue and Non-Tax Revenue for FY 2025/2026 at **$949.4 billion** and **$139.8 billion**, respectively (**Table 10a**). This projection for tax revenue was informed by a 5.9 percent growth over the estimated collections for FY 2024/2025 of $897 billion. However, realised collection for FY 2024/25 of **$882.8 billion** was $14 billion less than estimated. This lower outturn for FY 2024/25 invariably means that the actual tax base for FY 2025/26 was lower than that utilized in casting the budget.

The IFC has recast the revenue projections for FY 2025/2026 using the actual – and lower - Tax Revenue and Non-Tax Revenue numbers for FY 2024/25, which revealed a revenue far less than budgeted. **Table 10b** provides an indication of the potential implications based on the IFC's *Imputed Alternative* (or updated) revenue forecast. The lower projected Tax and Non-Tax Revenue generate a **fiscal deficit** of 0.5 **percent of GDP** (compared to the GOJ's programmed fiscal balance of **0.0 percent of GDP**) and a (*reduced*) primary surplus of **4.2 percent of GDP** (down from the programmed 4.7 **percent of GDP.**

This identified fiscal gap of $18.1 billion (0.5 percent of GDP) for FY 2025/2026, if not attended to through greater revenue efforts and/or reductions in expenditure, could slow the current downward trajectory in the public debt. Moreover, the fiscal situation also faces risks from additional spending relating to the recent payment of wage increments, the cost of the recently rolled out overtime work policy as well as forthcoming wage settlements from the various bargaining groups that could exceed the programmed amounts.

Based on the IFC's counterfactual analysis, revenue for FY 2025/2026 is expected to be less than budgeted. Moreover, the revenue underperformance registered in the first quarter of FY 2025/2026 supports this counterfactual exercise. In this regard, such underperformance might continue for the rest of the fiscal year absent any revenue-enhancing measures. Nevertheless, while the risk of revenue shortfall looms large, the recent upward revision of the GDP numbers provides some fiscal space for the GOJ to manoeuvre and still meet its debt target.

Table 10a: Estimated 2024/2025 *versus* Projected 2025/2026 Selected Central Government Budget Summary Indicators

Indicator	*Estimated 2024/2025*	*Projected 2025/2026*	*Difference: Proj. 2025/2026 vs. Est. 2024/2025*	*Diff. (%)*	*Projected 2025/2026 as a % of GDP*
Revenue & Grants	**1,076,686.1**	**1,096,083.1**	**19,397.0**	**1.8**	**28.8**
Tax Revenue	896,957.8	949,493.9	52,536.1	5.9	24.9
Non-Tax Revenue	174,017.2	139,816.4	-34,200.8	-19.7	3.7
Bauxite Levy	0.0	812.0	812.0	n.a.	0.0
Capital Revenue	0.0	0.0	0.0	n.a.	0.0
Grants	5,711.0	5,960.8	249.8	4.4	0.2
Total Expenditure	**1,068,652.5**	**1,095,302.8**	**26,650.3**	**2.5**	**28.8**
Recurrent Expenditure	1,006,916.3	1,032,707.2	25,790.9	2.6	27.1
Programmes	370,698.1	359,375.3	-11,322.8	-3.1	9.4
Compensation of Employees	453,871.3	495,799.4	41,928.0	9.2	13.0
Wages & Salaries	424,684.6	463,431.5	38,746.9	9.1	12.2
Employers' Contribution	29,186.7	32,367.9	3,181.1	10.9	0.8
Interest	182,346.8	177,532.5	-4,814.3	-2.6	4.7
Domestic	75,449.6	64,130.5	-11,319.1	-15.0	1.7
External	106,897.2	113,402.1	6,504.9	6.1	3.0
Capital Expenditure	61,736.2	62,595.6	859.4	1.4	1.6
Fiscal Balance	**8,033.6**	**780.3**	**-7,253.3**	**-90.3**	**0.0**
Primary Balance	**190,380.4**	**178,312.9**	**-12,067.5**	**-6.3**	**4.7**

Notes: J$ Million. Discrepancies due to rounding. n.a. means Not Applicable. Nominal GDP imputed for fiscal year 2025/2026.

Source: Compiled by the IFC using data from the *Fiscal Policy Paper 2025/26* (Part 3, Pages 24 and 25) and internal estimation.

Table 10b: 'Actual' 2024/2025 *vs.* Counterfactual 2025/2026 Values for Selected Central Government Budget Indicators

Indicator	*'Actual' 2024/2025‡*	*Imputed Alternative 2025/2026†*	*Difference: Imp. Alt. 2025/2026 vs. Act. 2024/2025*	*Diff. (%)*	*Imp. Alt. 2025/2026 as a % of GDP*
Revenue & Grants	**1,058,575.6**	**1,078,001.5**	**19,426.0**	**1.8**	**28.3**
Tax Revenue	882,755.8‡	934,460.0†	51,704.2	5.9	24.5
Non-Tax Revenue	170,224.0‡	136,768.7†	-33,455.3	-19.7	3.6
Bauxite Levy	0.0	812.0	812.0	n.a.	0.0
Capital Revenue	0.0	0.0	0.0	n.a.	0.0
Grants	5,595.8	5,960.8	365.0	6.5	0.2
Total Expenditure	**1,050,899.6**	**1,095,302.8**	**44,403.1**	**4.2**	**28.8**
Recurrent Expenditure	993,443.8	1,032,707.2	39,263.4	4.0	27.1
Programmes	366,667.7	359,375.3	-7,292.4	-2.0	9.4
Compensation of Employees	446,767.4	495,799.4	49,032.0	11.0	13.0
Wages & Salaries	423,004.4	463,431.5	40,427.2	9.6	12.2
Employers' Contribution	23,763.0	32,367.9	8,604.8	36.2	0.8
Interest	180,008.7	177,532.5	-2,476.2	-1.4	4.7
Domestic	75,348.8	64,130.5	-11,218.3	-14.9	1.7
External	104,659.9	113,402.1	8,742.1	8.4	3.0
Capital Expenditure	57,455.9	62,595.6	5,139.7	8.9	1.6
Fiscal Balance	**7,675.9**	**-17,301.2**	**-24,977.2**	**-325.4**	**-0.5**
Primary Balance	**187,684.7**	**160,231.3**	**-27,453.3**	**-14.6**	**4.2**

Notes: J$ Million. Discrepancies due to rounding. n.a. means Not Applicable. ‡Under this scenario, only 'Actual' Tax Revenue and Non-Tax Revenue were modified in order to produce their projected values for 2025/2026. †Imputed revised value in 2024/2025 that would facilitate the Projected 2025/2026 equivalent values to be achieved. *Sources*: Compiled by the IFC using data provided by the Ministry of Finance and the Public Service on May 29, 2025, the *Fiscal Policy Paper 2025/26* (Part 3, Page 24) and internal estimation.

SECTION IV: Assessment of Macro-Fiscal Projections and Risk for FY 2025/26 – FY 2028/29

As an open, small island developing state with a relatively concentrated export base, Jamaica remains vulnerable to external shocks and policy changes by its major trading partners. Strengthening economic resilience, anchored in macroeconomic stability, is essential for withstanding and recovering quickly from both natural and man-made disruptions.

1.0 Macroeconomic Outlook and Risk

GDP Outlook

According to the *Fiscal Policy Paper* for FY 2025/26, Jamaica's medium-term outlook anticipates a rebound in economic activity. Real GDP is projected to grow by 2.2 percent in FY 2025/26, followed by anaemic annual growth of 1.0 percent through FY 2028/29. These projections are contingent on developments at Jamaica's main trading partners.

Weak growth may limit the government's ability to generate sufficient revenue to meet national development goals. This challenge is further compounded by climate change, which necessitates substantial investment in resilient infrastructure. These factors highlight the urgent need to boost productivity, supported by improvements in the public investment management system to ensure effective execution of projects across:

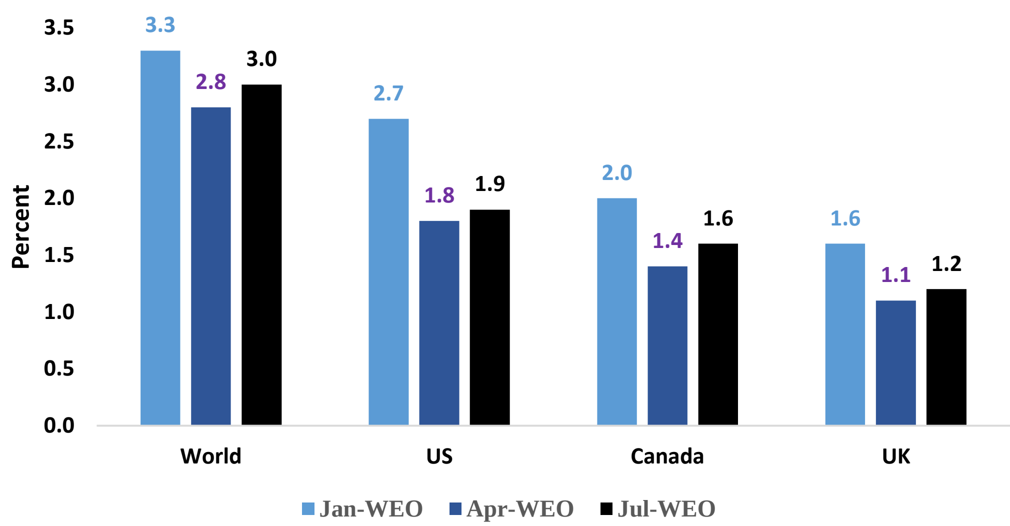
- Hard infrastructure: Physical assets such as energy plants, transportation networks and water systems; and
- Soft infrastructure: Public services including education, healthcare and social services.

The recent update to Jamaica's System of National Accounts (SNA) has resulted in nominal GDP being approximately 8 percent higher on average. **This revision provides the Government of Jamaica with the opportunity to achieve its Debt-to-GDP target of 60.0 percent or less by FY 2025/26, two years earlier than the legislated timeline.**

However, the global economic outlook has shifted since the *FPP* was published in February 2025 and global developments have amplified the macro-fiscal risks. For instance, the IMF's *World*

Economic Outlook (WEO) revised global growth downward from 3.3 percent in January 2025 (IMF, 2025a) to 2.8 percent in April (IMF, 2025b) due to the newly imposed US tariffs and retaliatory trade measures. The July *WEO* revised growth upward slightly to 3.0 percent, reflecting expectations of lower tariffs and increased fiscal stimulus in some economies (IMF, 2025c). Jamaica's major trading partners have also experienced downward revisions in their growth forecasts (**Figure 10**), which could dampen global investment and consumption and reduce demand for the country's exports.

Figure I0: *World Economic Outlook Selected Growth Projections, 2025*



Source: International Monetary Fund.

Potential headwinds for growth

1. **Higher Tariffs and Investment Uncertainty** – Increased tariffs on Jamaican exports to the US, in addition to rising uncertainty about trade policy might reduce external demand and delay investment decisions, as local firms adopt a "*wait-and-see*" approach.
2. **Potential Decline in Remittance Inflows** – A 1.0 percent tax on remittances sent via physical instruments (e.g. cash, money order, cashier's checks) is scheduled to take effect on January 1, 2026. In FY 2024/25, remittance inflows to Jamaica accounted for

approximately 15.0 percent of GDP, with 59.3 percent of these inflows originating from the USA.

3. **Hydrological shocks –** Climate-related events such as hurricanes and floods pose an elevated and growing risk to economic activity (particularly in agriculture) and infrastructure.
4. **Higher than expected global and local interest rates –** Associated with increased uncertainty and potential for higher-than-expected inflation rate.
5. **Slower than programmed Capital Expenditure by GOJ –** Attributed to implementation challenges such as procurement delays and capacity constraints, which may curtail the pace of growth.

On the other hand, there are potential upsides to economic growth, including:

- **Improved Tourism Outlook**: The U.S. Department of State recently upgraded Jamaica's travel advisory from Level 3 (Reconsider Travel) to Level 2 (Exercise Increased Caution), citing a decline in violent crime. This could boost visitor arrivals and invigorate growth.
- **Infrastructure development**: Faster than expected execution of ongoing and planned infrastructure projects are expected to enhance productivity and stimulate stronger long-term economic growth.
- **Stronger than expected external demand:** Driven by higher than projected growth in Jamaica's main trading partners**.**

Inflation Outlook

While the *FPP* projected inflation at 5.3 percent for FY 2025/26, before settling at 5.0 percent in subsequent years, within the BOJ's target range of 4.0 percent to 6.0 percent, inflation has been below this lower bound for the past two months. As of July 2025, the 12-month point-to-point inflation rate stood at 3.3 percent, the lowest since October 2019 (3.3 percent). The BOJ attributes inflation being below the target range to the normalization of agricultural prices after the 2024 hydrological shocks and lower electricity costs from a reduction in the GCT rate on *residential* electricity consumption. **Inflation is expected to gradually return to the target range later in the year and stay within that interval over the next two years**.

In August 2025, the BOJ's *Monetary Policy Committee* unanimously agreed to maintain the policy rate at 5.75 percent per annum as well as continue measures to preserve relative stability in the foreign exchange market. The Committee judged the current monetary policy stance appropriate to support the containment of inflation within the BOJ's target range over the next two years.

The inflation forecast is subject to both upside (higher inflation) and downside (lower inflation) risks:

- **Upside risks**: Higher-than-expected global commodity prices, larger-than-projected depreciation of the Jamaica dollar, weather-related disruptions to food supply and higher-than-projected tariffs leading to increased imported inflation and inflation expectations.
- **Downside risks**: Lower-than-expected global commodity prices; slower-than-expected depreciation of the Jamaica dollar and stronger-than-expected domestic food production.

2.0 Fiscal Risks

Various factors can cause actual deviations from the fiscal outcomes projected at the time of budget formulation, to occur. Several developments can lead to fiscal risks in the Jamaican context, including a likely lower outturn of tax revenue for the entire fiscal year 2025/2026, a reliance on 'one-off' non-tax revenue securitization transactions coupled with an under-execution of capital expenditure to meet fiscal targets, wage negotiations and probable hydrological shocks. The IFC will elaborate on four salient fiscal risks.

Firstly, actual tax revenue outturn for 2024/2025 was lower than programmed. As such, attaining the projected $949.5 billion tax revenue for the 2025/2026 Budget is doubtful. Achievement of the desired fiscal balance is therefore *conditional* on Government taking corrective measures including curtailing discretionary expenditure and/or implementing active revenue-raising measures. Based on the IFC's counterfactual analysis, tax revenue for FY 2025/2026 is expected to be less than budgeted. This analysis is reinforced by the fact that the *year-over-year* change in tax revenue for the April to June quarter of 2025/2026 was only 2.1 percent, and below the 3.8 percent *point-to-point* inflation at the end-June 2025.

Secondly, in FY 2024/2025, key fiscal targets were largely met through ‘one-off’ non-tax revenue transactions (i.e. securitization of revenue) and significant under-execution of capital expenditure. The IFC has already raised concerns about the adverse implications for economic growth, and by extension revenue yield, of under-executing the Capital budget. To this end, and going forward, it is important that the GOJ examines more sustainable growth-inducing ways of meeting fiscal targets.

A third crucial source of fiscal risk is the protracted public sector wage negotiations. Currently, the ongoing wage negotiations for the period commencing April 2025 are yet to be completed and as such, the overall magnitude of the forthcoming wage settlement cost is therefore unknown. Such a development can result in higher than planned wage related expenditure for Government. In this vein, **the IFC reiterates that public sector wage settlements should be completed in time for the annual budget preparation in order to bring greater certainty to the wage cost for the budget.**

Lastly, as an island that is extremely vulnerable to natural disasters, certain weather-related shocks (hurricanes, floods, drought) can derail the fiscal programme through a dramatic rise in expenditure required for preparation, restoration, recovery and rehabilitation efforts, as well as tax revenue loss from the weather events. That said, the GOJ has rightly adapted a layered approach toward *mitigation* and *adaptation* to blunt the threats posed by natural disasters.

SECTION V: Update on IFC Considerations to Strengthen Fiscal Sustainability/Resilience

In the *Economic and Fiscal Assess Report* (EFAR) [IFC, 2025], the IFC opined that the GOJ consider some measures outlined in *Report's* Table 5 that could reduce fiscal risks and build fiscal resilience. **Table 11** now provides an update on the progress made in implementing some of these considerations, along with their implications for fiscal targets and procedural rules.

Table 11: Fiscal Commission's Issues for Considerations to Strengthen Fiscal Resilience/Sustainability: An Update

Issue	Considerations	Expected Impact(s)	Desired Timeline	Status	Implications
Jamaica is among a group of countries that is still using the 1993 *System of National Accounts* (SNA) and not the 2008 SNA (latest SNA). The 2008 SNA has further specification of scope of transactions including the production boundary.	· Consider updating the Systems of National Accounts (SNA) to the 2008 SNA.	1. Improved alignment with other official statistics to inform policy making	Short-Term	Completed	The upward revision in nominal GDP, following the update to the System of National Accounts (SNA), led to a decline in the: (i) debt-to-GDP ratio to 62.4 percent at the end of FY 2024/25—down from the previous estimate of 68.9 percent and (ii) Wage/GDP ratio of 12.1 percent, down from the previous 13.3 percent.
Relatively high informality has constrained revenue growth and therefore GOJ ability to provide public goods and services to support economic growth	· Consider addressing the issue of informality.	1. Higher Tax Revenue 2. Improved Fiscal Balance 3. Lower Borrowing and Public Debt	Medium to Long-Term.	On-going	The continued digitization of GOJ services, such as the *eMotor Vehicle Registration Certificate* (eMVRC) and *eFitness Certificate* process will assist in reducing informality.

Issue	Considerations	Expected Impact(s)	Desired Timeline	Status	Implications
Fiscal uncertainty associated with annual income tax returns due in the last month of the fiscal year.	· Consider shifting the due date for annual income tax return from March to the first quarter of the fiscal year to reduce fiscal uncertainty towards the end of the fiscal year.	1. Reduce Tax revenue risk	Medium-Term	No commitment given	The IFC reiterates the value of this proposal. The risk materialized in March with a huge $16 billion revenue shortfall and the GOJ's inability to take corrective measures.
Climate risk challenges that have negatively impacted macroeconomic and fiscal outcomes.	· Consider the building of resilience in the natural and built environment.	1. Lower the impact of natural disaster on economic growth 2. Improve resilience and productivity in Agriculture industry 3. Reduce the risk of higher headline inflation by stabilizing the supply chain.	Medium to Long Term	On-going	The Government of Jamaica continues to make progress in addressing climate risks, with support from its development partners. Key initiatives include: 1. A US$192 million Sustainable and Resilient Recovery Development Policy Financing package, which includes a special provision that enables rapid access to funds in the event of a natural disaster. 2. An expansion of Jamaica's disaster recovery resources by (US$ 42.0 million or J$6.5 billion).

Issue	Considerations	Expected Impact(s)	Desired Timeline	Status	Implications
Jamaica has challenges with project design and implementation, which have led to inefficiencies in converting public funds into public goods and services and hinder productivity	· Consider addressing gaps in project management across Ministries, Departments & Agencies.	1. Increase the efficiency of converting public funds into public goods and services (reduce expenditure – less wastage) 2. Increase the productivity of public goods and services on economic growth 3. Higher productivity 4. Higher revenue 5. Improved fiscal Balance 6. Lower borrowing and Public Debt	Medium to Long-Term	On-going	The MoFPS, through its Public Investment Appraisal Branch, continues to refine measures aimed at Public Investment Management System. Initiatives undertaken include the development of a climate risk assessment methodology for projects in the Public Investment Management System and updating the Project Concept and Proposal Forms.

Issue	Considerations	Expected Impact(s)	Desired Timeline	Status	Implications
Wage & Salary negotiations in the public sector are usually protracted and increase fiscal uncertainty.	· Consider introducing a public sector wage negotiation cycle that is aligned with the budget process · Consider reintroducing an expenditure rule for Wages & Salaries.	1. Increase predictability in public sector wages and fiscal operations and therefore improve allocation of public expenditure	Medium-Term	No commitment given	Section 48H(2) of the *Financial & Administration and Audit Act* require the Minister to introduce a compensation negotiation cycle. The IFC maintains that the GOJ should re-introduce a wage ceiling to, inter alia, limit crowding out of spending in other critical areas. Wages have been consuming a growing share of tax revenue: 2021/22: 36 percent 2024/25: 48 percent 2025/26: 49 percent
Revenue measures announced after (rather than simultaneously) the tabling of the primary budgetary documents and following Parliament's approval of budgeted expenditures.	Consider the tabling the Ministry Paper relating specifically to Revenue Measures simultaneously with the other budget documents and incorporate the measures in the *FPP*.	1. Brings more order to the budget process. 2. Better projections of revenue and expenditure over the medium-term.	Short-Term	No commitment given	IFC maintains that GOJ ought to comply with the Third Schedule, Section 48B, Part B (2)(b) of the *Financial & Administration and Audit Act*. The IFC is unable to conduct a fulsome assessment of the Budget in a timely manner when new revenue policies are presented weeks after the other budget documents.

Issue	Considerations	Expected Impact(s)	Desired Timeline	Status	Implications
Present a fiscal profile for the Specified Public Sector with focus on *inter alia* Revenue, Expenditure, Fiscal Balance, Primary Balance and Public Debt[1]	Consider incorporating medium term budgetary analysis of the Specified Public Sector in the Fiscal Policy Paper.	1. Brings more order to the budget process. 2. Improved planning and resources allocation 3. Facilitates a more rigorous analysis of Jamaica's fiscal position.	Short-Term	No commitment given	IFC maintains that GOJ ought to comply with Third Schedule, Section 48B, Part B of the *Financial & Administration and Audit Act*, which requires reporting on the Specified Public Sector.

[1] This last consideration was not included in the original table entitled "**Table 5: Fiscal Commission's Issues for Consideration to Strengthen Fiscal Resilience/Sustainability**" in the Economic and Fiscal Assessment Report (<https://ifc.gov.jm/assets/files/Economic-FiscalAssessmentReportWebsite.pdf>). However, it was added because it was included in Section 4 (The Fiscal Commissioner's Opinion) that outlined weaknesses in the local budget process.

Courtney H. Williams (Mr.),

Fiscal Commissioner

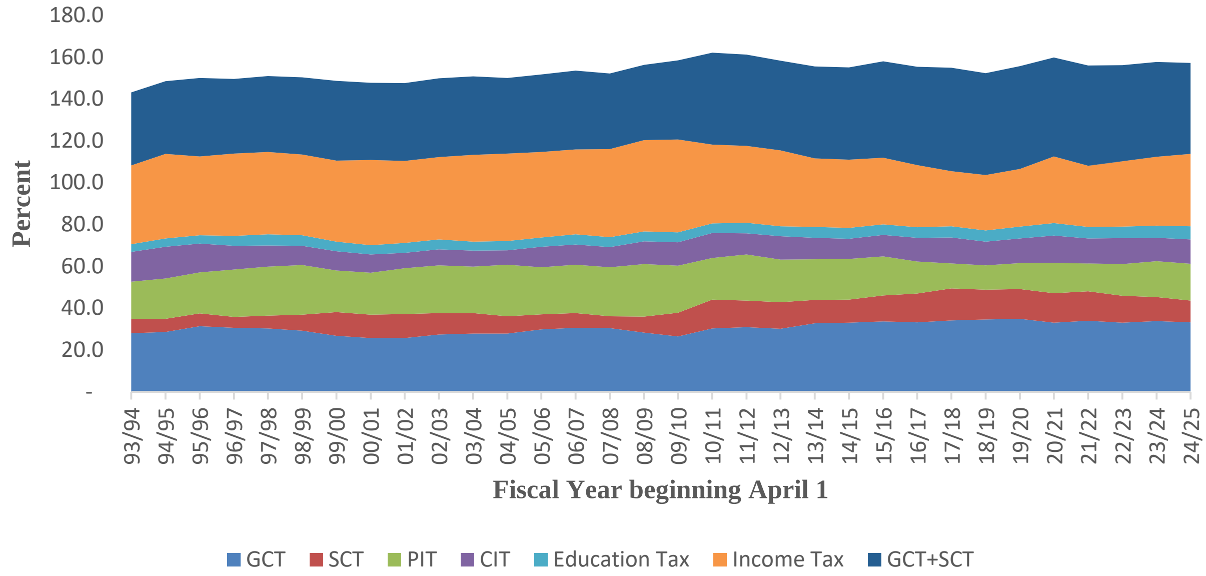
Appendix

Table A1: Estimated Potential Revenue Effects *vis-à-vis* Outturns from Selected Discretionary Policy Changes for 2024/2025

	Budgeted	*Actual*	*Difference*
Introduction of Reverse Inc. Tax Credit	-11.40	-6.90	4.50
Removal of GCT on imported Raw Foodstuff †	-2.42	0.00	2.42
Increase in de minimis value for imported goods to US$100	-0.864	-1.403	-0.539
Increase in Passenger duty-free threshold for imported personal effects to US$1000	-0.331	-1.142	-0.811
Removal of GCT on Armoured cash courier Vehicles	-0.050	-0.128	-0.078
Increase in Pension Exemption and Relief relief exemption to $250,400	-1.073	-1.073	0.000
Increase in annual General Income Tax threshold	-8.951	-8.951	0.000
Total Potential Revenue Effect	**-25.089**	**-19.597**	**5.492**

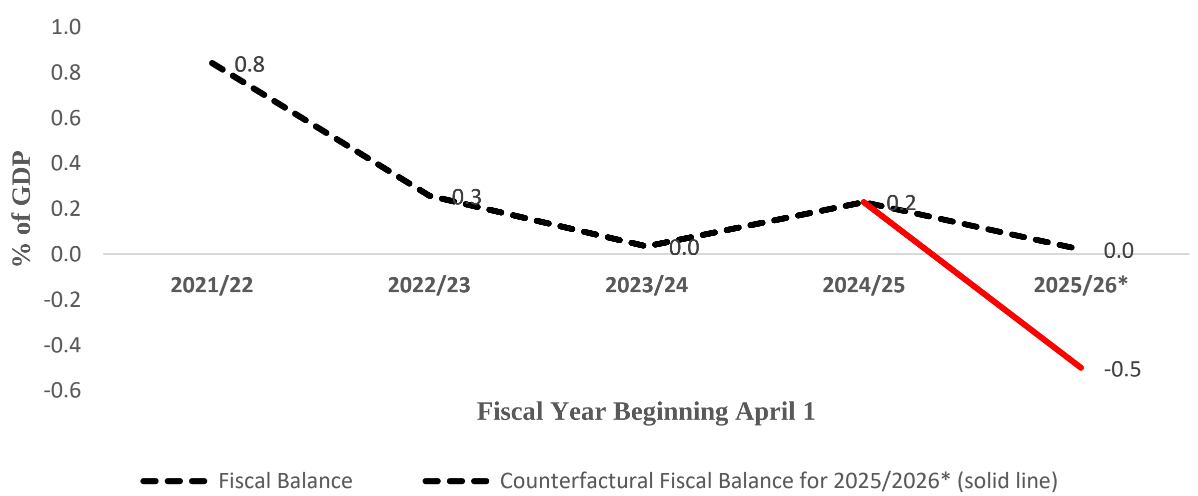
Notes: J$ Billion. †Measure delayed. Difference equals Actual *minus* Budgeted. n.a. means not available. Assumption was that the potential effects from the income tax threshold movements were fully realized.
Source: Compiled by the IFC using data obtained from Ministry of Finance and the Public Service (2024a) and Ministry of Finance and the Public Service (2024b).

Figure A1: *Selected Tax Types' Shares of Total Tax Revenue, 1993-2025*



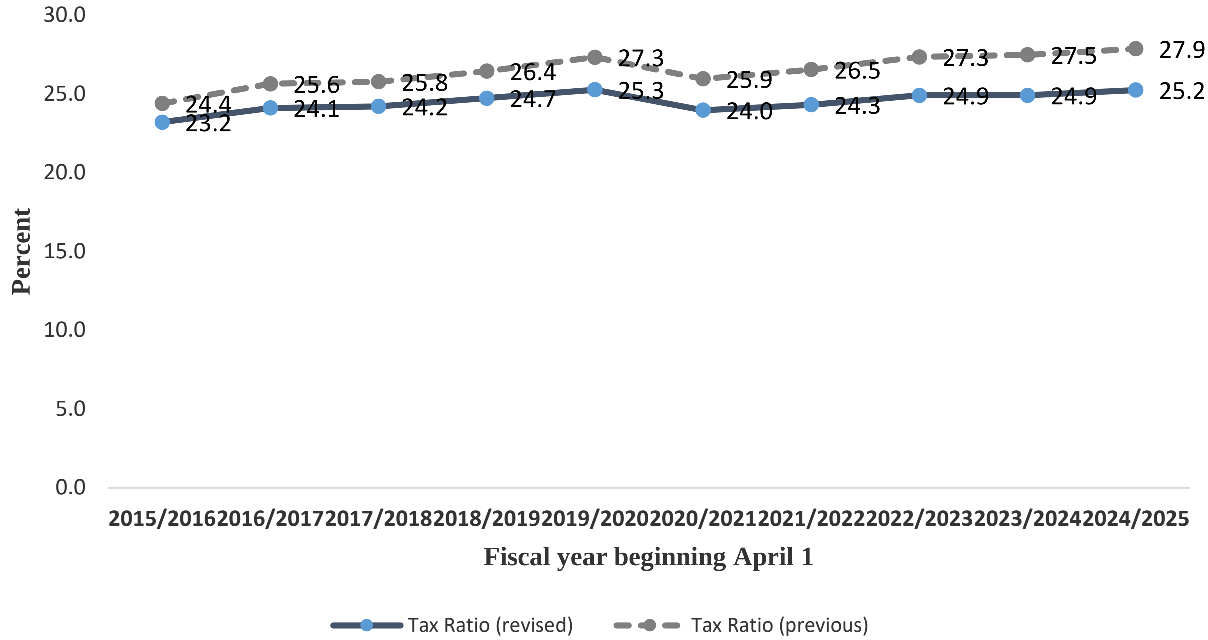
Source: IFC compilation based on data from the Ministry of Finance and the Public Service.

Figure A2: *Jamaica's Central Government Budget Fiscal Surplus/Deficit, 2021-2026*



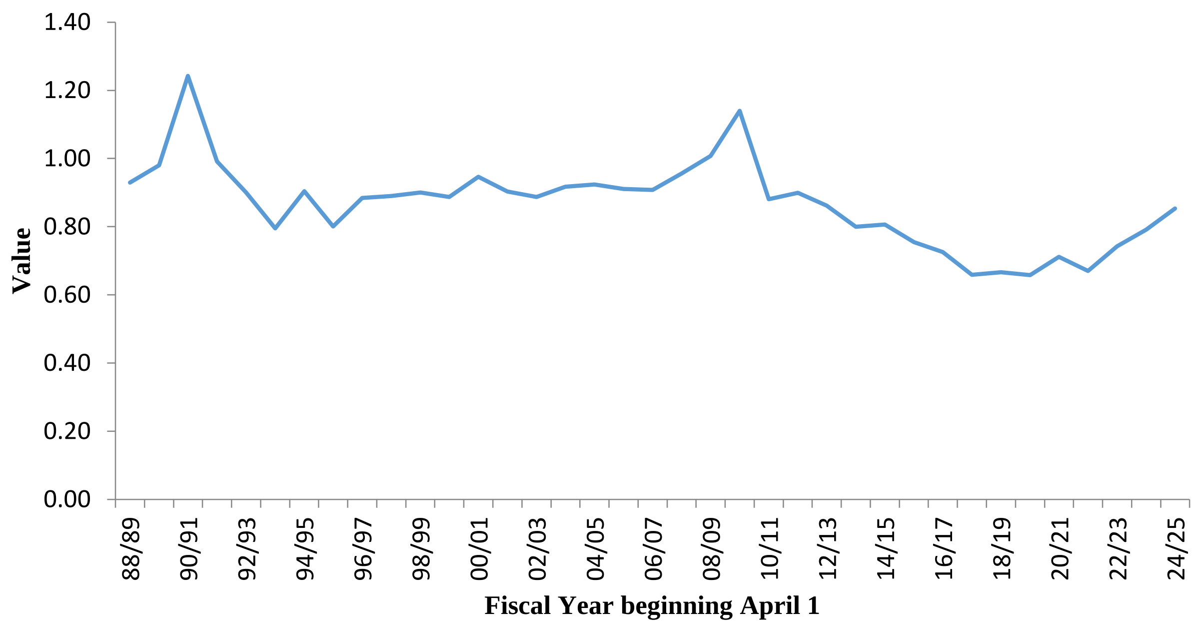
Sources: IFC computations based on data from the Ministry of Finance and the Public Service and Statin.

Figure A3: *Jamaica's Tax Ratio Estimates, 2015-2025*



Sources: IFC computations based on data from the Ministry of Finance and the Public Service and Statin.

Figure A4: *Jamaica's Direct to Indirect Tax Revenue Ratio, 1988-2025*



Source: IFC computation based on data from the Ministry of Finance and the Public Service.

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