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ANNUAL BUDGET PRESENTATION

FIXING THE NOW | BUILDING THE FUTURE



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Finance

Salutation

Madam Speaker, as I rise to give the Opposition's response to the Budget, I am humbled and grateful, first to the Almighty for allowing me life, health and strength to serve the people of Jamaica. I would like to thank my entire family, especially my father Patrick, who instilled in me my motivation for public service, and also my wife Mariame and children, who inspire me daily to build a better Jamaica for them and all future generations.

Madam Speaker, on September 3, 2025, the People's National Party (PNP), under the leadership of Mark Jefferson Golding, mounted a credible performance in the country's 14th General Elections. I would like to thank the Leader of the Opposition for his continuing confidence in me. And while, Madam Speaker, the result was not what we would have preferred, I remain guided by my faith and draw strength from Isaiah 40 vs 11: "So do not fear, for I am with you; do not be dismayed, for I am your God. I will strengthen you and help you; I will uphold you with my righteous right hand."

Madam Speaker, we doubled our seat count from 14 to 28. The people's verdict was close, and the mandate to hold this government to account is clear. I take this opportunity to thank the four hundred and one thousand, three hundred and ninety-eight (401,398) Jamaicans who voted for the PNP. Thank you for believing in us.

Special thanks to the constituents of South East St Andrew for their continued trust and confidence. I pledge to continue to lead with integrity, accountability and transparency. This is my fourth consecutive term representing them and the margin of victory was the largest in the constituency since 1993. Of course, none of this would be possible without the team of volunteers who support me, my constituency executive, and my councillors, His Worship the Mayor Andrew Swaby and Councillor Jesse James Clarke, who I thank for their tireless work in service to the community.

The Hurricane of Our Generation

Madam Speaker, late last year, our beloved island was hit by the catastrophic Hurricane Melissa, one of the most destructive natural disasters in living memory. The trauma and grief are still with us. I offer condolences to the families of our 45 brothers and sisters officially recorded as having lost their lives. Yes, we are a resilient people, but for many of us, the weight of that trauma, that loss, and that grief still sits heavily on our hearts.

In addition to those who lost their loved ones, hundreds of thousands of Jamaicans lost their homes, their livelihood, livestock, and everything they owned. And for them, the crisis is still not over. For many Jamaicans, months after the hurricane, it's still a daily battle to find food. Some don't have the money to rebuild their homes: no zinc, no board, no block. Melissa affected the entire country, but she took direct aim at the western parishes and inflicted the most damage there. And it's not just an economic toll. Many become anxious when rain set up to fall. We stand in solidarity with all those who are still recovering.

The alternate side of this disaster was the massive contributions of relief and recovery support from Jamaicans at home and abroad, locally and in the diaspora. In addition, we thank the overseas missions and international partners whose support made a real difference immediately after the disaster. There are too many to name right now, but I personally thank those who sent a barrel, made a donation or volunteered their time. Jamaica appreciates you.

And it was us, neighbours helping neighbours, volunteers manning under-sourced shelters, doctors, police, soldiers, firefighters and nurses away from their families while the hurricane raged. And it was we, the Jamaican people, who after the hurricane, cleared roads with machetes, helped each other clean up our yards, and provided water, tin food and toilet paper and whatever little we had to share.

Madam Speaker, what, ultimately, Hurricane Melissa revealed, was the true spirit of the collective Jamaican people, the loving, giving, selflessness, motivated to help their fellow citizen and get the job done. This proves, again that the Jamaican people

have the resilience to go through the biggest of hurricanes and *we nah blow weh*. We have faced adversity before. And we have always found our footing. The question before us now is whether our institutions rose to the moment, and whether the budget before us reflects that urgency.

The Government's Response to the Hurricane

Madam Speaker, we are now past the immediate relief stage and into rebuilding. I note the Prime Minister's announcement of the National Reconstruction and Resilience Authority (NARRA), but NARRA is still without a legal foundation. No legislation has been brought to Parliament to formally establish it, and the public still has no clear picture of what it will do, how it will operate, or when it will be functional. We cannot rebuild a country on announcements alone.

Similarly, in light of the destruction in the west of the island, the \$10 billion Roof Grant program while important, is simply insufficient. Hurricane Melissa devastated Westmoreland and St Elizabeth, huge parts of St James, Hanover and Trelawny, with homes in sections of St Ann, Clarendon, and Manchester experiencing significant damage as well. Almost five months since Mellisa, there are still thousands of Jamaicans who go to sleep with no proper shelter. What is the plan for them?

Budget Does Not Reflect the Urgency of the Moment

Madam Speaker, let me turn to the estimates of expenditure itself. I want to start with something simple. A budget is a government's clearest statement of its priorities. So, when I listened to the Minister's presentation, it did not address the scale of the disaster we face. It reads like business as usual, and that cannot be right when thousands of our people lost their homes, businesses, farms, livestock and everything they worked for.

The Government's Revenue Measures

New Taxes

Madam Speaker, I want to look particularly at the revenue measures in the budget. And before I get into the economics, I want to start with the people. Because that is where this conversation belongs.

Miss Margaret in Savanna-la-Mar lost her shop in Melissa. She has been borrowing to restock. She is not yet back to where she was. There is James in Montego Bay who runs a small transport business. His vehicle was damaged. He is still paying to fix it. I could go on, Madam Speaker, because there are many more just like them.

They will now pay more on their grocery bills at the supermarket because the government has chosen to impose a new tax package of 18 billion dollars. Madam Speaker, increasing the burden on the average Jamaican through higher taxes is not the right call at this time. And we on this side do not support it. If we were at the wicket, this is not the shot we would have played.

When an economy is contracting, meaning it is slowing down, raising taxes is a procyclical response. What that means in practice is that you are applying pressure in the same direction as the problem, rather than against it. The economy is already shrinking. The tax base has been weakened, first by 10 years of low growth under **that** administration, and then by the hurricane. Businesses are earning less. Households are spending less. And the government's chosen response to that reality is to **extract more** revenue from an already financially stressed population. That does not sustainably address the fiscal challenge. You are only compounding the economic problem.

The more appropriate response in these circumstances is a countercyclical one. What does that mean? You push against the slowdown in the economy. You stimulate activity and create the conditions for the tax base to recover organically. A growing economy generates more revenue over time than any package of new taxes imposed on people who are already struggling to stay afloat.

And beyond the timing, there is the question of who actually carries this burden. These measures fall disproportionately on lower-income Jamaicans, including the elderly, the very people who are still trying to recover from Melissa.

Levy on Sugary Drinks

Madam Speaker, I want to address the \$10 billion levy on sugary drinks specifically, because the government has justified it as a public health measure, and that justification deserves examination. And let me say from the outset that we on this side are not dismissing the health concern. The level of sugar consumption in Jamaica is a genuine public health issue, and it deserves serious policy attention. Where we part ways with the government is whether this levy is genuinely about resolving that problem.

If the government's concern is about reducing sugar consumption and improving health outcomes, it has a more effective instrument available to it. The government could require local manufacturers to reformulate their products, to reduce the sugar content and provide a time period within which to do so. That intervention would directly reduce the amount of sugar people consume. The government has that authority. Nothing in law prevents it from acting in this way. But instead, they chose a tax at this time.

The reason that matters, Madam Speaker, is that the people who consume these drinks in the highest volumes are not necessarily doing so out of an attachment to sugar. They are doing so because the alternatives, the natural juices, coconut water and the healthier options, are priced out of their reach. Go into certain communities across this island and look at what is on the shelves and what it costs. A tax that raises the price of a sugary drink does not automatically create a healthier and more affordable alternative. For many people, it just means the same purchase at a higher price.

And Madam Speaker, the government's own numbers settle this argument. They are projecting to collect \$10 billion from this levy. That single figure tells you everything about the true purpose of this measure. A tax genuinely designed to reduce consumption would project declining revenues as behaviour changes. The government would be looking at a shrinking revenue line, not a \$10 billion one. The government cannot hold both positions at once. Either consumption falls, and the

health objective is achieved, or consumption continues, and the revenue is collected. The government is banking on the latter. You can draw your conclusions from that.

Environmental Levy

Madam Speaker, turning to the Environmental Levy. The name of the tax suggests that the cash flows from it will be directed toward environmental protection, toward our coastlines, our watersheds, our forests, the very natural infrastructure that Melissa reminded us we cannot afford to neglect. But the money goes into the Consolidated Fund. None of it is ring-fenced for environmental purposes. So we have a levy collecting money in the name of the environment, but it is not dedicated to the environment. It is treated as another revenue source for the government.

And as with the sugary drinks levy, the importer or manufacturer is not the one who ultimately pays the price. That cost gets passed down, and the consumer absorbs it, with no corresponding benefit to the environment that was used to justify the charge in the first place. Specifically, Madam Speaker, this tax is simply inflationary and will only drive up the cost of goods in the country.

When you look at the tax package as a whole, what you see is a government that faced a revenue gap and filled it in the easiest way possible. The measures are not calibrated to protect the vulnerable. They are not designed around the specific circumstances of a post-hurricane economy. They are taxes, imposed because revenues were needed, and the people at the lower end of the income scale will feel them the most.

Digital Services Tax

Madam Speaker, I want to turn to the Digital Services Tax, because the Minister's presentation on Tuesday left us with more questions than answers.

When this measure was first announced, the reasonable assumption, shared by many people following this debate, was that the tax would apply to subscriptions from companies based in foreign jurisdictions, your Netflix, your Spotify, your streaming

and digital service platforms. That was the natural reading of a Digital Services Tax, and it is how similar measures have been implemented in other countries.

But from what the Minister said on Tuesday, it appears the intention is different. It seems the tax will apply to goods purchased online through platforms like Amazon, Temu, and Shein. If that is indeed what is being proposed, then a serious question arises, because this government, less than two years ago, made the deliberate policy decision to raise the threshold on online purchases, increasing the customs duty exemption from USD\$50 to USD\$100, and from USD\$500 to USD\$1,000 for travellers. That was a conscious choice to reduce the cost burden on Jamaicans who shop online. A Digital Services Tax on those same purchases would work directly against that relief.

Madam Speaker, the inconsistency here needs to be explained. You cannot on one hand expand the threshold to give consumers a break on online purchases and on the other hand introduce a new tax on those same transactions. Additionally, the Minister said in her presentation on Tuesday, that local retailers are feeling the pressure from online shopping. So the obvious question is, why then did the government increase the threshold and provide that relief two years ago, to now take it back today.

And beyond the inconsistency, there is the practical question of implementation. How exactly will this tax be collected? Who is responsible for remitting it? What is the mechanism for enforcement across hundreds of thousands of individual transactions from foreign platforms? The Minister owes this House, and the Jamaican people, a clear and complete explanation of how this measure will actually work before it is enacted.

NHT Withdrawal

Madam Speaker, I want to talk about the NHT and specifically, the \$11.4 billion this government continues to extract from the National Housing Trust every single year.

This government has been extracting the money from the NHT for a decade now. Yes, it was the PNP that introduced this measure in 2013. Now, let me tell you why the PNP introduced this measure, because the context matters.

When we came to office in 2012, we inherited an economy on the precipice of collapse. But before that, we recall the years that the economy experienced fourteen (14) consecutive quarters of negative growth from 2007 to 2010, only to achieve a mere 1.51 per cent real GDP growth in 2011. The country received downgrades from international credit rating agencies.

In 2011, with Andrew Holness as a senior cabinet minister and Leader of Government Business, **the JLP abandoned and effectively ended the 27-month Stand-By Arrangement with the International Monetary Fund (IMF)**, according to the IMF's 2011 Article 4 staff report. Madam Speaker, when I say abandoned, I mean they didn't even take the last two tests.

Because of how badly the JLP dealt with the IMF agreement then, Jamaica was effectively shut out of the international capital markets. Our international partners had lost confidence in the country's fiscal management. We inherited that situation and had to renegotiate the IMF arrangement from a position of considerable weakness.

The agreement that followed was one of the most demanding fiscal programmes ever imposed on a country borrowing from the Fund. The primary surplus target of 7% Jamaica was required to maintain was among the highest ever demanded of any country under an IMF arrangement. Higher than what was even demanded of Greece during its debt crisis. That is the mountain we were given to climb.

The NHT withdrawal was one part of a broader package of measures designed to meet that primary surplus requirement. It was not a decision taken lightly or casually. It was a hard choice made in extraordinary circumstances, with the explicit understanding that it was temporary.

Rebuttal: On this point, Madam Speaker, I saw the Finance Minister displaying this chart on Tuesday about the tax measures imposed between 2012 and 2016.

Taxes (Billion)		
Year	Taxes (Billion)	Government
FY2012	\$ 19	PNP
FY2013	\$ 15	PNP
FY2014	\$ 7	PNP
FY2015	\$ 10	PNP
FY2016	\$ 13	JLP
FY2017	\$ 14	JLP
FY2018	No net new taxes	JLP
FY2019	No net new taxes	JLP
FY2020	\$ (16)	JLP *
FY2021	No new taxes	JLP
FY2022	No new taxes	JLP
FY2023	No new taxes	JLP
FY2024	No new taxes	JLP
FY2025	No new taxes	JLP
FY2026	\$ 19	JLP

The same reason that drove the NHT withdrawal in 2013 is the same reason that drove the broader package of revenue measures we had to implement at the time, including new taxes. We had no other choice but to impose new taxes to get the revenue to meet the IMF programme because of the position they on that side left us in. It was their mess that put us in that position.

The hard choices that we made worked. The PNP stabilised Jamaica's macroeconomic fundamentals under the leadership of then Prime Minister, The Most Honourable Portia Simpson Miller and Minister of Finance, Dr the Honourable Peter David Phillips. They restored the confidence of our international partners. We put this country back on a credible fiscal path. The economic stability that this government inherited in 2016 and has benefited from ever since was **built on those solid foundations.**

The international community recognized the PNP's achievements. During her visit to Jamaica in 2014, IMF Managing Director Christine Lagarde praised Dr. Phillips and the PNP administration, stating, "I wanted to pay tribute to Minister Phillips and his colleagues...for what has been a clear change of course...making the hard choices and successfully completing four reviews."

Leadership for the times - IMF boss salutes Portia, Peter for putting Jamaica back on track

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From left: Prime Minister Portia Simpson Miller, IMF Managing Director Christine Lagarde, Finance Minister Dr Peter Phillips, and Horace Dalley, minister without

On the NHT withdrawal, I think this House should be reminded of how the then JLP Opposition responded. They did not simply disagree with the measure, Madam Speaker. They campaigned against it loudly and relentlessly, framing it as an attack on the working class, an assault on the poor, a betrayal of the Jamaican people. The Prime Minister himself was among the most vocal. Let me read a social media post that he made at the time and play a clip of him.

Robert Nesta Morgan COPYRIGHT THID..



Andrew Holness

Oct 8, 2015 at 1:00pm · 🌐

The JLP does not support the use of NHT Funds for purposes other than those for which they were intended. The NHT's mandate is clear. Contributor's money, held in Trust at the NHT, is to be used for the purposes of promotion of housing and community development.

The JLP has always stood in the vanguard where stewardship of NHT Funds are concerned. We are the ones who have always defended the NHT and protected the interests of contributors; not the least of which are those thousands of Jamaicans who have been making contributions to the NHT and are yet to access a benefit.

Madam Speaker, the matter was taken to court **and. THEY. LOST.**

But Madam Speaker, after the JLP formed the government in 2016, you would have expected that the NHT withdrawal **would have** ended, based on their strident position on it. That so-called “betrayal of the Jamaican people” that they had fought against stayed in place. Every year since. Without interruption. Ten years of collecting money, they once vehemently opposed.

Recently, I heard the Prime Minister justifying the continued extraction by arguing that the funds are being directed to other national priorities.

Madam Speaker, I would like to ask the Prime Minister one question [beat]. When the PNP used this measure between 2013 and 2016, were we not also directing those funds to national priorities? [beat] Were we not using that money to meet the primary surplus that kept Jamaica out of default? [beat] Were we not using it to restore the confidence of the very international partners whose support this government relies

on today? [2 beats] What exactly was different then? What principle was being violated in 2013 that is apparently not being violated now?

The answer, Madam Speaker, is that nothing was different. Nothing except who was sitting on which side of this House. And that is the only honest explanation for why something unconscionable then is apparently justifiable now.

Hiding Behind the Hurricane

Madam Speaker, I want to address something about the framing of this budget and how this government has been presenting its revenue measures to the public. The Hurricane, we are told, is why these taxes are necessary. Melissa came, she damaged the country, the government needs revenue to respond. That is the narrative being told. And on the surface it is a sympathetic one.

But if you look at what this government was doing in the two years before Melissa, you will get additional perspective. In two consecutive years, the government securitised future revenues from the Norman Manley International Airport and the Sangster International Airport, raising over \$70 billion in 2023/24 and over \$60 billion in 2024/25. What that means is that they sold off 10 and 12 years of future revenues of both airports to fund those budgets. (an analogy, Madam Speaker, is you going to your boss and asking for 12 months of your salary upfront). These funds were used in part to meet recurrent expenditure, the routine, ongoing operational costs of running the government.

What that tells you, Madam Speaker, is that the government was financing its day to day expenses by selling off future earnings from our airports. Money that those institutions would have received in the years ahead was converted into cash upfront to cover costs that a well-managed budget should have been able to meet through normal revenue. So this tells you that the revenue shortfall problem did not begin with the hurricane. That is a structural fiscal problem that predates Hurricane Melissa.

Tax revenues were already inadequate before the hurricane arrived, because economic growth was already weak. The gap between what the government was

collecting and what it needed to spend was already widening. The government was already searching for ways to bridge that gap. Melissa did not create those pressures. What she did was provide a more compelling explanation for measures this government was likely heading toward, regardless of whether a hurricane had struck or not.

Madam Speaker, I want to be clear that none of this is said to minimise what the hurricane did to this country or to the people who are still living with its consequences. But the Jamaican people deserve an honest account of the context. And the honest account is that this government's fiscal challenges did not begin with the hurricane. The hurricane just made them easier to explain away.

PNP's Alternatives to the Revenue Measures

Madam Speaker, I want to turn now to what the PNP would have done differently. The government looked at a revenue gap and reached for the easiest tool available, higher taxes on the same people who are already under pressure. We looked at the same gap and asked a different question. What can we do that does not add to the burden of Jamaicans at the worst possible time?

Implementation of an Electronic Invoicing System for Tax Administration Jamaica (TAJ)

Madam Speaker, the first source of additional revenue we would look at is the implementation of an electronic invoicing system, which we estimate would generate an additional \$8.6 billion in tax revenue through tax compliance. **THIS IS NOT A NEW TAX!**

Currently, when businesses make sales, they are required to upload their transaction records for verification by the tax authority. The problem with that model is that the obligation to upload sits with the business, and there can be slippage. Not necessarily because businesses are deliberately evading their obligations, though that happens, but because in a system where the seller is responsible for submitting the records, transactions can go unrecorded, uploads can be incomplete, and the gap between

what was earned and what was reported is not always caught. The tax authority is dependent on what businesses choose to submit, and that dependence creates the under-collection problem

An electronic invoicing system changes that dynamic fundamentally. Rather than waiting for businesses to upload their records after the fact, the transaction data is captured and transmitted to the tax authority automatically at the point of sale. The government is no longer relying on voluntary compliance with an upload requirement. The information flows directly and is matched automatically against what has been declared and remitted. The scope for under collection shrinks considerably because the data is already there, verified and auditable, without the business having to do anything beyond completing the sale.

We have seen this work across the region and beyond. In Mexico, declared revenues increased by 14% in the three years after electronic invoicing became mandatory. In Uruguay, VAT and corporate income tax collection rose by an estimated 3.7% when the system became compulsory. In Peru, taxable sales reported to the tax authority increased by 7% in the first year alone. Chile, which pioneered the model in Latin America, saw over 8 million electronic tax documents being processed monthly at the point of maturity, covering more than a quarter of all tax documents issued in the country, with audit capacity and information quality improving substantially across the board. The pattern is consistent wherever this has been implemented. Better data means better compliance, and better compliance means more revenue from the same tax rates, without asking anyone to pay more than they already owe.

The experience in Chile and other countries that have followed a similar model demonstrates that the revenue gains from better compliance are achievable, and we in Jamaica have every reason to pursue a similar path.

For the 2026/27 fiscal year, the government is projecting GCT receipts of \$318.15 billion and SCT receipts of \$112.57 billion, a combined total of \$430.72 billion in these indirect tax revenue flows. We estimate that 2% of that total represents under collection attributable to the same weaknesses in the current manual system that I have just described. Two per cent, Madam Speaker. That is a conservative figure

given what the international evidence shows. And 2% of \$430.72 billion is approximately \$8.6 billion. That is money the government is already entitled to collect. It is simply not collecting it because the system it relies on is not equipped to catch what slips through. An electronic invoicing system closes that gap, and it does so without a single new tax on a single Jamaican.

Digital Nomad Programme

Madam Speaker, the second revenue initiative we are proposing is a Digital Nomad Programme. What is that? It is a special legal permit allowing remote workers, freelancers, and entrepreneurs to live and work in Jamaica while employed by a company or clients based outside the country.

Four million tourists visit Jamaica every year. We have the brand, we have the climate, we have the culture, and increasingly the connectivity that remote workers around the world are looking for. What we do not yet have is a structured programme that allows them to stay longer, work from here, and spend their money in our economy..

We are proposing a visa fee of US\$2,000 for a 12-month period and a conservative first-year target of 5,000 participants, generating approximately \$1.5 billion through a combination of direct visa revenue and increased indirect taxes from consumption. We can appreciate that the more significant economic contribution comes from what those 5,000 people do while they are here. They stay in hotels and rental properties. They eat at restaurants. They use local services. They spend. And that spending circulates through the economy. Barbados estimates that each digital nomad spends US\$55,000 per stay. Being conservative, we would estimate a digital nomad spending US\$25,000 over an average stay of 6 months. That would generate economic activity of US\$125,000,000 or J\$19.5BN.

Barbados launched its Welcome Stamp programme in 2020 and the results were telling. In the first ten months alone, the programme attracted over 2,500 applicants, generated US\$5 million in direct visa revenue, and contributed over US\$100 million in broader economic activity to an island that is considerably smaller than Jamaica. If Barbados can produce those numbers with the infrastructure and visitor base it

has, Jamaica, **with four times** the annual tourist arrivals and a far larger economy, has the foundation to do considerably more.

Targeted Transfers from specific Public Bodies

We would make targeted transfers from specific public bodies with demonstrated surplus capacity, which will not have a direct impact on Jamaicans.

1. *\$1 billion from the Bank of Jamaica* – The government has already planned to withdraw \$9 billion from the BOJ. We would take an additional \$1 billion, bringing the total withdrawal to \$10 billion. This is not money from the Net International Reserves. It comes from the recurrent profits generated by the BOJ in the course of its operations, and the additional billion does not compromise the institution's core function or its operational capacity.
2. *\$1 billion from the Factories Corporation of Jamaica* - The FCJ is projecting a net surplus of \$3.14 billion and net profits of \$5.51 billion for the upcoming fiscal year. Against that strong financial position, we would transfer of \$1 billion to the central government. An institution projecting that level of surplus can absorb that contribution without any meaningful impact on its operations or the work it does.

Ending the NHT Withdrawal

Madam Speaker, we would end the annual extraction of \$11.4 billion from the National Housing Trust. We have spoken at length about the hypocrisy surrounding this measure, but beyond the politics of it, there is a straightforward economic argument for returning those funds to the institution they belong to.

The NHT was established for one purpose, to provide affordable and sturdy housing solutions for Jamaicans, particularly those at the lower and middle ends of the income scale. In the wake of Hurricane Melissa, with hundreds of homes damaged and destroyed across this island, that mandate has never been more urgent. This is not the moment to be pulling money out of the financing of housing developments. It is

the moment to put more in. For us, ending the \$11.4 billion is about giving the NHT the capacity to actually do what it was created to do.

And Madam Speaker, when you invest in housing at scale, the economic benefits extend well beyond the house itself. Construction workers get employment, hardware suppliers see their orders increase, truck operators get work moving materials, and money begins to circulate through the very communities that have been hardest hit. The economic multiplier effect of residential construction is well documented, and in a post-disaster economy, it is one of the most effective, stimulative investments a government can make. That \$11.4 billion, deployed through the NHT into housing construction, does far more for this economy than it being diverted to the recurrent activities of the central government. Madam Speaker, on the question of how we would replace the revenues foregone by not imposing new taxes and ending the NHT drawdown, we have identified specific sources that do not require reaching into the pockets of average Jamaicans.

PNP Alternatives on the Expenditure Side

Reduced Transfer from the Central Government to the AAJ

On the expenditure side, Madam Speaker, we have identified one specific deferral that saves \$2 billion without cutting any essential service or compromising recovery in any way. The Airports Authority of Jamaica is projected to receive a transfer of \$13 billion from central government in this budget, a figure that is higher than normal because the government securitised the airports' own future revenues, leaving the AAJ dependent on central government funding rather than its own earnings.

Looking at the Public Bodies Estimates, the AAJ has earmarked \$2 billion for the construction of a new corporate head office. The project is at the planning stage, supporting studies have not been completed, and construction has not begun. Deferring it to the next fiscal year costs nothing in terms of service delivery and frees up \$2 billion that is far more urgently needed elsewhere right now.

Adjustments to the Estimates of Revenue and Expenditure for Central Government - FY 2026/27			
Revenue		Expenditure	
Measures	Impact (+/-)	Items	Impact (+/-)
	\$		\$
Tax Revenues:		Adjustments:	
No imposition of new tax measures	-18,039,000,000	Reduction in Transfer to the Airport Authority of Jamaica	-2,018,870,000
TAJ Electroning Invoicing System	8,614,618,157		
Digital Nomad	1,200,000,000		
	-8,224,381,843		
Non-tax Revenues			
Cessation of National Housing Trust (NHT) withdrawals	-11,400,000,000		
Additional receipts from Bank of Jamaica (BOJ) profits	1,000,000,000		
Transfer from Factories Corporation of Jamaica (FCJ)	1,000,000,000		
	-9,400,000,000		
	-17,624,381,843		-2,018,870,000

The Impact of our Alternatives on the Fiscal Targets

Madam Speaker, when you add it up, the PNP's alternative creates a revenue gap of approximately \$17.6 billion relative to the government's revenue measures, which would be offset by \$2 billion in expenditure savings, leaving a net difference of \$15.6 billion that we would finance through additional borrowing from the issuance of treasury bills. Interest expense in the fiscal year would increase by \$0.94 billion, owing to the additional borrowing.

The additional borrowing would increase interest payments by approximately \$0.94 billion in the fiscal year, and it would bring our projected debt-to-GDP ratio to approximately 66.14% by the end of the fiscal year, compared to the government's projected 65.7%. **That is a difference of 0.44 of 1% percentage points**, Madam Speaker, in exchange for not imposing \$18 billion in new taxes on Jamaicans who are trying to get back on their feet after a catastrophic hurricane. That is a position any responsible government should be comfortable defending.

2026-2027 JAMAICA BUDGET

Statement of Financing of the Estimates of Expenditure for the Year 2026-2027

JLP (Fiscal Policy Paper)		PNP		Difference
EXPENDITURE		EXPENDITURE		
Non-Debt Recurrent Expenditure	963,495,094,000	Non-Debt Recurrent Expenditure	961,476,224,000	-2,018,870,000
Debt-servicing Expenditure	378,545,900,000	Debt-servicing Expenditure	379,482,230,711	936,330,711
Capital Expenditure	99,740,360,000	Capital Expenditure	99,740,360,000	
TOTAL EXPENDITURE	1,441,781,354,000	TOTAL EXPENDITURE	1,440,698,814,711	-1,082,539,289
REVENUE		REVENUE		
Taxation Revenue	979,368,291,728	Taxation Revenue	971,143,909,885	-8,224,381,843
Non-tax Revenue	97,338,000,000	Non-tax Revenue	87,938,000,000	-9,400,000,000
Transfer from the Capital Development Fund	1,491,600,000	Transfer from the Capital Development Fund	1,491,600,000	
Grants	5,334,400,000	Grants	5,334,400,000	
TOTAL	1,083,532,291,728	TOTAL	1,065,907,909,885	-17,624,381,843
Current Account Surplus		Current Account Surplus		
Capital Revenue	7,214,500,000	Capital Revenue	7,214,500,000	
Loan Funds		Loan Funds		
(A) External Loans		(A) External Loans		
i. Multilateral	88,301,771,000	i. Multilateral	88,301,771,000	
ii. Bilateral	9,000,229,000	ii. Bilateral	9,000,229,000	
iii. Other		iii. Other		
Total External Loans	97,302,000,000	Total External Loans	97,302,000,000	
(B) Domestic Loans	149,846,600,000	(B) Domestic Loans	165,452,111,843	15,605,511,843
Total Loan	247,148,600,000	Total Loan	262,754,111,843	
TOTAL REVENUE AND LOAN RECEIPTS	1,337,895,391,728	TOTAL REVENUE AND LOAN RECEIPTS	1,335,876,521,728	
BALANCE	-103,885,962,272	BALANCE	-104,822,292,983	-936,330,711

Projected Public Debt Indicators for FY 2026/2027

	JLP (Fiscal Policy Paper)	PNP	Diff.
J\$ mn			
Total Debt	2,535,319.4	2,550,924.9	+15,605.5
% GDP			
Total Debt	65.70%	66.14%	+0.44%

The Path Ahead

Madam Speaker, I want to turn now to the question of where Jamaica goes from here, because the government's budget must be accompanied by a clear sense of direction.

The immediate priority has to be restoring Jamaica's productive capacity to at least the level it was at before Hurricane Melissa struck. That must be the floor, not the ceiling. Recovery is the starting point, not the destination, and any government that presents recovery as an achievement in itself is setting an unacceptably low bar for what this country can and should become.

The deeper problem, Madam Speaker, is one that predates the hurricane and will outlast it if we do not address it seriously. Jamaica has been trapped in a pattern of chronically low economic growth for years, and that trap has significant consequences for how Jamaicans live. It shows up in wages that do not go far enough, in public services that are perpetually under-resourced, in young people who cannot find work that reflects their abilities, and in the frustration of a population that knows this country has more to offer than what it is currently delivering.

What makes this particularly troubling is that the government's own fiscal policy paper projects that after a brief post-recovery uptick reaching around 3% growth by 2029, the economy will settle back to a steady state growth rate of 1%. That number is right there in their own documents, Madam Speaker. One per cent. And at 1% growth, living standards do not improve in any meaningful way. The gap between what Jamaica could be and what it actually becomes widens with every year we accept that rate. We should all be alarmed by that projection.

The Focus on Growth

Madam Speaker, the PNP has been consistent in what we believe needs to drive Jamaica's economic transformation. Last year, I laid out our Four-E Strategy in detail, covering Energy, Efficiency, Education and the Emerging Sectors. Some of the core

arguments I made have not become less relevant since I made them. If anything, the hurricane has made them more urgent.

Energy

On energy, the situation has not materially improved. Electricity costs in Jamaica remain among the highest in the world, at more than US\$0.40 per kilowatt hour, and that cost continues to sit on every business and household in this country. It suppresses competitiveness, it inflates the cost of production, and it makes it harder for Jamaican goods and services to hold their own in regional and international markets.

We should remember that during the last PNP administration, electricity rates had come down to US\$0.236 per kilowatt hour. If we were at the wicket today, we would allow large consumers such as Special Economic Zones to contract power directly from generators, and separating dispatch, transmission and distribution into a properly regulated structure with distinct licenses.

We would also disaggregate electricity bills so that consumers can actually see what they are paying for, broken down into generation, transmission, distribution, system losses and supply charges, because transparency is the first step toward accountability.

On renewables, we would scale up net billing and power wheeling for distributed generation, expand solar technology for residential use, and introduce more flexible service and payment options so that the transition to cleaner, cheaper energy is accessible to ordinary Jamaicans and not just those who can afford the upfront cost. We would also ensure that vulnerable populations, including senior citizens, benefit from discounted rates, because the burden of high energy costs falls heaviest on those least equipped to absorb it. There is no credible growth agenda that does not have energy reform at its centre, and this government, after nine years, has still not delivered one.

Education

Madam Speaker, last year I said you cannot build a productive, high-growth economy on a workforce that has been underprepared, and that remains true. The emphasis must be on the foundations. Literacy and numeracy at the primary level, because if we fail there, it takes tremendous investment further up the education ladder to compensate for it. And we need to be honest about where we are failing, including being willing to review the automatic progression of students who cannot read or write at the required grade level, because moving children through the system without addressing what they have not learned is not a service to them.

We also need to ensure that children with special needs are not an afterthought in our education planning, and that early childhood education is treated as the high-return investment that the evidence shows it to be.

But fixing the foundation is only part of the work. Education must also be directly connected to what the economy actually needs, because a workforce that has been through the system but is not equipped for the jobs that exist, or the jobs we are trying to create, represents a failure of a different kind. If we were at the wicket, Madam Speaker, we would align education and training with industry needs in a deliberate and structured way, expanding technical and vocational training in high-demand sectors so that students leave with practical, employable skills rather than credentials that do not translate into opportunity.

Central to this is reforming HEART. The institution has a role to play, but that role needs to be much more sharply focused on equipping Jamaicans with skills for high-income industries, including digital services, advanced manufacturing, and agro-processing, which are precisely the sectors we are trying to grow. HEART should be a pipeline into those industries, not a holding facility for students who the formal education system has not served well enough.

We would also introduce a policy under which the government matches the costs that a company spends on upskilling its workers through tax credits on their HEART contributions. If a business is willing to invest in the development of its employees, the government should be a partner in that investment. This reduces the financial

burden on employers, incentivises businesses to take workforce development seriously, and ensures that the skills being built are the ones the private sector actually needs. That alignment between what workers are learning and what employers require is what drives productivity, and productivity is ultimately what drives growth.

Efficiency in Government and In Business

Madam Speaker, growth without efficiency is not sustainable, and one of the clearest indictments of this government's management of the economy is the problem of the underspending of the capital budget. For three consecutive years, this government failed to spend its full capital budget, and capital expenditure is precisely the category of spending that has the most direct impact on economic growth. That is the money for infrastructure, for modernisation, for the foundations of development, and it is sitting unspent while roads need fixing and communities need investment.

Procurement reform must be seen as a growth imperative. When we are at the wicket, we will treat it as such, including revisiting the public investment appraisal system and exploring the re-establishment of the Development Council that existed under the Patterson administration and that significantly improved the pace at which government projects moved.

The banking sector is another area where the efficiency of the broader economy can be improved, and it is directly connected to whether the private sector can actually drive the growth we need. I took note on Tuesday of the Minister's reannouncement of the e-KYC initiative, which was already announced by the Governor of the Bank of Jamaica in 2024. Look at this Observer article, Madam Speaker.

BOJ unveils digital KYC repository

0 Comments · [Make a comment](#)

Codie-ann Barrett | Business Reporter

June 12, 2024



BOJ unveils a digital KYC repository to boost banking competition, tackle inflation.

When the Bank of Jamaica cuts its policy rate, those cuts are not making their way to borrowers at the pace or scale they should, because the competitive pressure on commercial banks to pass them on simply is not strong enough. Two banks, NCB and Scotiabank, continue to control approximately 70% of the consumer banking market, and a significant portion of that dominance is underwritten by government itself, through the long-standing practice of concentrating the vast majority of government ministry, department and agency deposits in those same two institutions.

We remain committed to changing that, opening government deposits to all banks through a competitive system, so that smaller banks have access to lower-cost funds and the incentive to compete more aggressively on lending rates. When the BOJ cuts, Jamaican borrowers should feel it. Right now, too often, they do not. We are also committed to phasing out the asset tax on banks, but that commitment comes with an expectation. If the tax burden on banks is reduced, banks must meet the country halfway, on fees, on lending rates, and on the monetary transmission mechanism.

Turning to small and micro businesses, there is a distinction that policy in this country has consistently failed to make, and it matters enormously. The person running a one-chair salon in a community in St Catherine faces a fundamentally different set of obstacles from a company with fifty employees, and continuing to lump micro enterprises in with small and medium enterprises as though their challenges are the same serves neither of them well. Micro enterprises need to be treated as a distinct category with tailored support, including access to financing through the Development Bank of Jamaica that is actually structured around what a micro business can manage, not what a medium-sized company can absorb. The current structure at the DBJ acts as a barrier rather than a bridge for the smallest businesses, and that has to change.

Rebuttal to the Minister's Presentation

Madam Speaker, I want to address what the Minister said about MSMEs and government procurement, because I think the Jamaican people deserve some context around that announcement. The Minister stood in this House and presented the MSME procurement framework as a commitment of this government, something they are working toward, something that is coming. But we have heard this before. Not once. Not twice. These were the very same commitments made by the Minister's predecessor, as far back as 2019 and 2020. The same language. The same promises about set-asides, about supplier registration, about opening up government procurement to small businesses. **I have the newspaper articles here, and I will display them for this House.**

More Opportunities For MSMEs

By: ROCHELLE WILLIAMS, March 11, 2020

THE KEY POINT:

The full roll-out of the Orders for Special and Differential Treatment Measures (Set Asides) is expected to commence in the third quarter of the upcoming fiscal year.

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Budget 2020/2021

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Photo: Donald De La Haye

Minister of Finance and the Public Service, Dr. the Hon. Nigel Clarke, opens the 2020/21 Budget debate in the House of Representatives on March 10. At left is National Security Minister, Hon. Dr. Horace Chang, while Attorney General, Hon. Marlene Malahoo Forte is in the background.

New order to give MSMEs preferential treatment for Government procurement contracts



Daily Observer (Jamaica)

By ABBIGN ROBINSON Business reporter robinsona@jamaicaobserver 31 Jul 2019

Minister of Finance and the Public Service Dr. Nigel Clarke said the new order of the Public Procurement Act to be tabled in Parliament by September 30 will allow a level playing field for Jamaican micro, small and medium-sized enterprises (MSME), to...

So the question I want to ask the Minister is a simple one. [beat] What happened between 2019 and today? [beat] The Public Procurement Set-Asides Order has been on the books since 2019. [beat] That is six years ago. Six years in which this government had the legal framework in place and chose not to operationalise it. Six years in which Jamaican micro and small enterprises were waiting for access to government contracts that the law already entitled them to pursue. And the Minister is now telling us, in 2026, that it is possible to get it done in this new fiscal year. Madam Speaker, the MSMEs have been waiting since 2019. They are tired of announcements, they want action - not a bagga mouth.

Emerging Sectors

On the emerging sectors, Jamaica has genuine opportunities in digital services, agro-processing, logistics, the creative industries, and cannabis, and these are not

abstract possibilities. The foundations already exist. What has been missing is the deliberate policy support, the access to capital, and the regulatory frameworks that would allow these sectors to move from potential to actual contribution. A government serious about growth would be treating these sectors as priorities, not footnotes.

And underpinning all of this, Madam Speaker, is the question of exports, because Jamaica will never generate the kind of wealth its people deserve by selling to three million people. We have to look outward, to grow the value of what we produce, to build industries that compete on the world stage, and to ensure that more of the earnings from those industries stay in Jamaica and benefit Jamaican workers and communities. That is the direction our growth agenda points, and it is the direction this country needs to be moving in with considerably more urgency than what we are seeing from the government side.

Conclusion

Madam Speaker, Jamaica is at a critical point in time. The hurricane has laid bare the vulnerabilities that were always there, the structural fiscal pressures that predate Melissa, the chronically low growth that has kept living standards stagnant for too long, the public institutions that were not ready when the moment demanded them, and the Jamaicans who, as they always do, carried more than their share of the burden while waiting on a government response that in some parts came too slowly and has still not come fully. The question that the government's budget was supposed to answer is what happens next. How does this country recover, and how does it grow in a way that actually changes how people live? That was the test, and this budget falls short.

It falls short for the woman in Savanna-la-Mar who lost her shop in Melissa and will now pay more at the supermarket. It falls short for the man in Montego Bay still paying to fix his vehicle while the government reaches into his pocket. It falls short for the thousands of Jamaicans who are still without proper shelter five months after the hurricane, waiting on a plan that has not materialised, on an institution whose legal

foundations have not been laid, on announcements that have not been followed by action. And it falls short for the NHT contributors whose money continues to be diverted away from the housing institution it was meant to serve, by a government that once opposed that very practice.

Madam Speaker, I want to be clear about what this side of the House represents in this moment. We are not here simply to oppose. We are here because accountability is what democracy requires, and because the Jamaican people deserve a Parliament that takes that responsibility seriously and discharges it honestly. When we critique the government's budget, it is because the choices made in the document have real consequences for our people, and those people deserve to know that someone in this chamber is examining those choices carefully and offering a genuine alternative. Madam Speaker, Jamaica's best days are not behind us. They are ahead of us, if we are willing to make the choices that get us there. We are not a small country with small ambitions. We are a small island that has already shown the world what Jamaica is capable of, and we have barely scratched the surface of what we can become