2024 Jamaica budget highlights

"Leveraging Economic Stability in the People's Interest"

Negril Lighthouse, Jamaica

March 13, 2024

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Foreword

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On March 12, 2024, the Minister of Finance and the Public Service, Dr. the Hon. Nigel Clarke, DPhil., MP ("the Minister"), delivered his Opening Budget Presentation for the financial year 2024/25 under the theme - *Leveraging Economic Stability in the People's Interest.*

The Minister's presentation highlighted a number of firsts for the Jamaican economy in half a century. He started by noting that Jamaica's macro-economic fundamentals today are stronger, better, and more favourable than at any time over the last 50 years. The Minister went on to say that *"the current period is the only time in the last 50 years where all the following are true at the same time:*

- *We have low debt;*
- *We have adequate foreign exchange reserves;*
- *We have single digit inflation with institutional mechanisms empowered and mandated to pursue even lower inflation; and*
- *We have financial sector stability.*

This is the definition of macro-economic stability."

Macroeconomic stability will enable the Government of Jamaica ("GOJ") to enhance its capital investment program. The Public Investment Program tasked with evaluating and approving public investments, aims to deliver $1 trillion of infrastructure projects in the next five years, including Public Private Partnerships ("PPP) projects.

Some of the key capital investments for FY2024/25 mentioned in the presentation include:

- $11.5 billion to support the construction of three hospitals (Spanish Town Hospital, Cornwall Regional Hospital and Western Adolescence Hospital).
- $18.3 billion on physical infrastructure, including for the construction of the Southern Coastal Highway Project, Montego Bay Perimeter Road and carriageway from Ironshore to Bogue, as well as construction and rehabilitation works on the Montego Bay Waterfront Protection Project.
- $20.0 billion for the Shared Prosperity Through Accelerated Improvement to our Road Network or SPARK program.
- $3.5 billion on national security related infrastructure, including construction works on the Westmoreland Police Divisional Headquarters and St. Catherine North Police Divisional Headquarters, and acquisition of new marine patrol vessels.
- $1.7 billion on education infrastructure, including the construction of five STEM academies, classrooms, installation of sewage treatment facilities at one school, etc.

The only revenue positive measure presented among the revenue measures is the proposed securitization of some receivable during financial year 2024/25, which is projected to bring in revenue flows of some $25,120 million. All other revenue measures proposed were either revenue neutral or were tax expenditure measures.

The Minister closed his presentation by emphasizing the point that this is the seventh consecutive year that no new taxes are introduced by the GOJ for a financial year, and stressed that this was unprecedented. This budget presentation focused on demonstrating that the GOJ is listening to the people, and is responding in the people's interest by correcting the areas of the economy that created instability and inequity.

International Tax Issues

In line with the OECD's Pillar 2 Global Minimum Tax rules, the GOJ gave a commitment to introduce a Qualified Domestic Minimum Top-up Tax ("QDMTT"). However, the domestic legislation is not yet in place and it is expected that these changes will be seen in financial year 2024/25.

The current corporate income tax (CIT) rates in Jamaica of 25% for unregulated companies and 33 1/3% for regulated companies, are well above the Global Minimum Tax rate of 15%. The QDMTT is a domestic minimum tax that would be imposed on Jamaican resident companies and other companies with a Jamaican permanent establishment, that are part of a Multinational Enterprise Group. Since the QDMTT is a mechanism to increase the effective tax rate up to 15% and secure revenue that would be taxed elsewhere, these measures would only apply to Jamaican taxpayers with a tax rate below 15%, such as companies operating in a Special Economic Zone which have a CIT rate of 12.5%.

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(for context we have quoted above the JM$/US$ exchange rate as at 12 March 2024)

Budget 2024 snapshot

All amounts are in JM$ unless otherwise stated

*

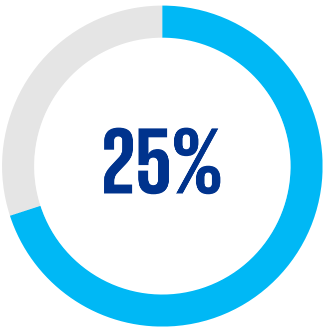
USD / JMD	Buy 154.56	Sell 156.38

(for context we have quoted above the JM$/US$ exchange rate as at 12 March 2024)

Key allocations of projected tax expenditure:

$2,420 M

Standardizing Jamaica's General Consumption Tax ("GCT") treatment of imported and domestically produced raw foodstuff



Maintaining the status quo of a 25% income tax rate for companies providing trust and corporate services

$50 M

Removal of GCT on the importation of Armoured Cash Courier Vehicles on CIF value in excess of US$33,000

$11,400 M

Reverse Tax Credit for individuals earning less than $3 M whose statutory deductions are filed and paid on time in respect of calendar year 2023

Increasing the maximum participating voting share capital for the Junior Market of the Jamaica Stock Exchange from $500 M to $750 M

$ 331 M

Increase in the passenger duty-free threshold for personal/household effects not imported for sale or commercial exchange from US$500 to US$1,000

$31 M

Reduction in the CIT rate from 33 1/3% to 25% for IPPs producing at least 75% of their energy from renewable resources

$8,951 M

Increase in the Annual Personal Income Tax Tax-free Threshold to $1.7 M

$1,073 M

Increase in the Pension Exemption and Age Relief Exemption to $250,040 each

$ 864 M

Increase in the de minimis value for imported goods from US$50 to US$100.

Proposed measures

The Blue and John Crow Mountains, Jamaica

Proposed measures

All amounts are in JM$ unless otherwise stated

(for context we have quoted below the JM$/US$ exchange rate as at March 12, 2024)

*USD / JMD	Buy	Sell
	154.56	156.38

*Source: Bank of Jamaica exchange rate

Increase in the Annual General Personal Income Tax (PIT) Threshold	
Proposal	The Minister proposed that the Annual General PIT Threshold be increased from $1,500,096 to $1,700,088 for all individuals, both employed and self-employed. This measure will result in a revenue loss of approximately $8.9 billion for the financial year 2024/25.
KPMG's view	This is perhaps one of the most widely anticipated tax reliefs in recent times, as Jamaicans have been speculating for months about whether there will be an increase in the "tax-free threshold" for the financial year 2024/25, and how much that increase would be. The last increase in the "tax-free threshold" was in April 2017 when the threshold increased from $1,000,272 to the current threshold of $1,500,096. The Minister's considered and detailed introduction of the proposed measure went to the core of his presentation's theme. What appears to be a marginal threshold increase given to all individuals, was balanced against the greater need for relief for a group of vulnerable individuals in the society, the senior citizens/pensioners.
Who are affected	An additional 24,702 employed individuals under the PAYE system will benefit from this measure, along with thousands of self-employed individuals. The "tax-free threshold" has been made available to resident individuals.
Timing	Effective for the financial year 2024/25, with effect from April 1, 2024.

Increase in the Pension Exemption and Age Relief Exemption	
Proposal	The GOJ is proposing that the annual Pension Exemption and the Age Relief Exemption be increased from $80,000 to $250,040 respectively – a more than 300% increase.
KPMG's view	This measure is well received as the Pension Exemption and Age Relief Exemption was last increased to $80,000 per annum, respectively in 2009. Senior citizen/pensioners enjoyed a 100% increase at that time. After 15 years, the 300% increase is arguably in light of the effect of inflation on such persons earning a fixed income. This measure, when coupled with the increased Personal Income Tax Threshold of $1,700,088, could see some senior citizen/pensioners enjoying a tax-free aggregate amount of up to $2,200,168 per annum. Depending on their circumstances, senior citizens/pensioners could look forward to these additional tax breaks on top of their existing exemptions from making statutory contributions to the National Housing Trust, and the National Insurance Scheme and their entitlement to refunds on any taxes deducted from dividends earned from Jamaican resident companies.
Who are affected	The tax reliefs are available to pensioners, persons who are 55 years and older and incapacitated, and persons who are 65 years and older.
Timing	The measure is to take effect on April 1, 2024.

Proposed measures (cont'd)

Increase in the *de minimis* value of imported goods and an increase in the passenger duty-free threshold	
Proposal	The Minister has proposed: • an increase in the *de minimis* value for imported goods from US$50 to US$100; and • an increase in the passenger duty-free threshold for personal/household effects, not imported for sale or commercial exchange, from US$500 to US$1,000.
KPMG's view	Following persistent demands from the public for an increase in the outdated threshold value for certain duty-free imported goods, the Minister delivered on a promise. However, the fulfilment of the promise is incomplete. The Minister had also promised to repeal and replace the outdated Customs Act with a more modern legislation. To date, the new Customs Act has only been tabled and has not been passed into law. So, while the increase from US$50 to US$100 is welcomed, the improved legislative mechanisms need to be in place to support these changes. Also, while the increase from US$50 to US$100, appears to be nominal, the Minister indicated that retail e-commerce sales amount to approximately US$5.2 trillion worldwide and is forecasted to grow significantly. As such, the increase may pose a challenge to the local retail sector since, as noted by the Minister, e-commerce provides consumers with a wide variety of goods. Local consumers will continue to flock to e-commerce facilities to purchase items directly from overseas suppliers rather than buying locally produced items. The local freight forwarding companies will no doubt see an increase in the demand for their services. The Ministry Paper suggests that the increase in the duty-free allowance would allow for expedited processing at our international airports, significantly improving arriving passenger flow through the customs halls. This is a welcome measure since there is a growing use of Jamaica's international airports. However, based on both incentives, it is anticipated that the government stands to lose a combined total of J$1.2 billion in revenue collection.
Who are affected	The focus of this revenue measure is more directed to the individual taxpayer. By increasing these amounts, individuals are allowed to spend more in a tax efficient way. The anticipated result is that more business will be generated for the e-commerce sector.
Timing	Both measures are slated to take effect in April 2024, effectively within the next three weeks.

Proposed measures (cont'd)

Standardizing Jamaica's GCT Tax treatment on Raw Foodstuff	
Proposal	• It is proposed that in keeping with Jamaica's trade obligations, GCT on imported raw foodstuff will be removed. Presently, raw foodstuff that is locally produced is exempt from GCT. However, GCT is applicable on the importation of raw foodstuff into Jamaica. • The Ministry Paper states that under the General Agreement on Tariff and Trade (GATT), Jamaica is not permitted to implement policies and/or measures that are designed to protect domestic products.
KPMG's view	From an international standpoint, Jamaica's financial outlook has been positive. As such, international stakeholders, such as GATT, are continuously assessing whether countries, such as Jamaica, are compliant with their international obligations. In this regard, the Minister's public declaration of Jamaica's adherence to international obligations coupled with corrective amendments, are well received. Domestically, the removal of GCT on imported raw foodstuff, will likely see an increase in the consumption of imported items such as fresh fruits and vegetables, ground provisions and onions. However, it is noted that under the GCT Act, specific items such as imported apples, pears and berries are not given a GCT exemption, and the imposition of GCT on such imported raw foodstuff is unlikely to change.
Who are affected	This revenue measure will affect the retail trade sector and local farmers. Local farmers will no longer have the advantage of supplying GCT exempt products, which were taxable supplies for the competing importers of similar products. It will also affect all consumers of raw foodstuff who should see a reduction in the price of imported options.
Timing	This proposed revenue measure will take effect in the first quarter of financial year 2024/25.

Increasing the maximum participating voting share capital for Junior Stock Exchange to $750 Million.	
Proposal	The Minister proposed that the Income Tax Act be amended to increase the maximum participating voting share capital of companies listed on the Junior Market of the Jamaica Stock Exchange ("Junior Market") from five hundred million Jamaican dollars ($500,000,000) to seven hundred and fifty million Jamaican dollars ($750,000,000).
KPMG's view	The proposed measure increases the maximum participating voting share capital that may be raised on the Junior Market by 50%. These companies then stand to benefit from pre-existing tax incentives applicable to companies listed on the Junior Market. For instance, companies that list on the Junior Market enjoy ten years of income tax benefits. For the first five years of listing on the Junior Market, they are exempt from payment of CIT. Without the exemption, regulated companies would be taxed at a rate of $33^{1}/_{3}$% and unregulated companies would be taxed at a rate of 25%. For the second five-year period, Junior Market companies are exempt from 50% of the applicable income tax rate, if they remain listed on the Junior Market for at least fifteen years. Junior Market companies also benefit from being exempt from transfer tax and stamp duty when their shares are traded on the Jamaica Stock Exchange, the trading of shares in private companies are not generally subject to such exemptions. It is presumed that it will be business as usual for companies already listed on the Junior Market.
Who are affected	The measure will affect those who wish to raise funds on the Junior Market, which are typically micro, small and medium sized enterprises. This enables them to access the tax benefits of listing on the Junior Market, while increasing the amount they can raise on the Junior Market by 50%.
Timing	The measure is expected to take effect for the year of assessment 2024.

Proposed measures (cont'd)

25% Corporate Income Tax rate for Independent Power Producers producing 75% or more from renewable sources	
Proposal	The Minister proposed that the Income Tax Act be amended to conditionally exclude Independent Power Producers ("IPPs") from the definition of "regulated company" for the purposes of section 30 of the Income Tax Act. The proposed amendment would reduce the CIT rate from $33^1/_3$% to 25% for IPPs that produce 75% or more of their energy from renewable sources, such as wind and/or solar and who are regulated by the Office of Utilities Regulation. However, these IPPs, like regulated entities would not benefit from the Employment Tax Credit.
KPMG's view	The GOJ is signaling that it is mindful of Jamaica's energy dependence on imported fossil fuels and the environmental drawbacks of that reliance. The GOJ is also signaling that it is serious about its obligation under the Paris Agreement which aims to reduce dependence on fossil fuels by using renewable energy sources, as well as the attainment of a 50% use of renewable energy in its power generation mix by 2030. The GOJ has ambitious goals that the measure will lead to growth in the renewable energy sector, the reduction of greenhouse gas emissions and enhance energy independence by giving investors more confidence in the sector, providing more capital to finance investment in renewable energy technologies, and contributing to economic growth and development. Overall, the measure is a signal that the GOJ is actively seeking to wean the country off fossil fuels and is willing to provide incentives to achieve that objective. Whether these measures will contribute significantly to the objectives for 2030 remain to be seen.
Who are affected	IPPs will be affected by the measure. Those who produce less than 75% of their energy from renewable sources will be subject to a higher tax rate than those who are producing 75% or more from renewable sources.
Timing	The amendments shall be effective from the year of assessment 2023, including any basis period permitted by Tax Administration Jamaica under section 6 of the Income Tax Act.

Proposed measures (cont'd)

25% tax rate for companies providing trust and corporate services	
Proposal	The Minister proposed that the Income Tax Act be amended to clarify that the CIT rate for providers of trust and corporate services is still 25%. However, the 25% rate does not apply to companies engaged in both the provision of trust and corporate services and any other regulated activities within the meaning of the Income Tax Act.
KPMG's view	The Minister went to great lengths to indicate that the rate of 331/3% became applicable to trust and corporate service providers due to the GOJ's push to improve its Anti-Money Laundering and Counter-Financing of Terrorism framework, which resulted in trust and corporate services providers being regulated by the Financial Services Commission ("FSC") and as such being subject to CIT at a rate of 331/3% as regulated entities. The GOJ is making it clear that the rate of 331/3% would be disproportionate and contradicts the prevailing tax policy intent. This clarification by GOJ will be welcomed by those trust and corporate services providers who are not regulated entities and would have seen an increase in their applicable tax rate due to being brought under FSC regulation. Examples of such corporate services providers includes lawyers and accountants, who are either practicing through partnership structures or as sole practitioners and who pay tax at 25% and 30%.
Who are affected	Broadly, trust and corporate services providers are affected by the measure. The beneficiaries of the clarification are those trust and corporate services providers who do not engage in both the provision of trust and corporate services and any other regulated activities within the meaning of the Income Tax Act.
Timing	The measure is to take effect for the year of assessment 2023.

Removal of GCT on Armoured Cash Courier Vehicle	
Proposal	In support of the Armoured Cash Courier Industry, GCT will be removed on the importation of the following items: a. armoured vehicles, on the excess of the Cost, Insurance and Freight value ("CIF") of US$33,000 b. the added cost of armouring vehicles. The Ministry Paper states that this measure is intended to encourage Armoured Cash Courier companies to invest in better security measures and to upgrade their fleet, in light of recent attacks on their vehicles and personnel by criminal elements.
KPMG's view	While the measure is a clear response to the grave threat faced by the sector in 2023, the GOJ's steps are conservative and available only for a fixed period of time. Only partial relief is given to imported armoured vehicles - the GCT relief only applies to the cost of the vehicle in excess of CIF of US$33,000. Similarly, if an unarmoured vehicle is imported, along with armour accessories, for retrofitting as an armoured vehicle, the vehicle itself would not qualify for the GCT relief – only the armour accessories would. This may be designed to discourage the cash courier companies from exploiting the system by importing ordinary vehicles under the guise of being vehicles to be modified as armoured vehicles, while claiming the GCT relief.
Who are affected	The tax relief is available to any company that operates an approved cash courier business. No definition was provided in the Ministry Paper, for what an "approved" cash courier business is. Presumably it is one which is licensed by the Private Security Regulation Authority which generally overseas the private security firms.
Timing	The measure takes effect as of April 1, 2024 and will run for only 24 months.

Proposed measures (cont'd)

Reverse Tax Credit for Individuals	
Proposal	• The Minister proposed the introduction of a Reverse Tax Credit for individuals for the calendar year 2023. • The Reverse Tax Credit is a one time $20,000 cash grant that will be available to individuals earning less than $3 million, who file returns and pay statutory contributions for calendar year 2023 by March 31, 2024. • Tax Administration Jamaica will facilitate the payment of the Reverse Tax Credit grant through its e-Services portal. Qualifying individuals will be required to apply online and will receive payments by way of a direct funds transfer facility.
KPMG's view	This March 31, 2024 deadline accommodates the final filings and payment adjustments that are required by employers for employed persons, as well as the final filings and payments required by self employed individuals by March 15. Annual Employer's Returns in respect of PAYE, Education Tax, and contributions to the National Housing Trust, the National Insurance Scheme and the Human Employment and Resources Training Trust (Form S02) are due by March 31st, after the end of each calendar year. Since January 1, 2014, specified employers with on-time filing and payment of statutory contributions have benefitted from an Employment Tax Credit ("ETC"), which can reduce their effective tax rate by up to 30%. The Reverse Tax Credit is a welcome extension of this type of payroll tax compliance reward to compliant employees and self-employed persons who have never benefitted from the ETC.
Who are affected	Individuals earning less than $3 million per annum.
Timing	• Effective for on-time filing and payment of statutory deductions due from individuals for calendar year 2023. • The system for the payment of the cash grant to the qualifying individuals will be operationalized in the second quarter of financial year 2024/25.

Economic review

Kingston, Jamaica

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State of the economy

Over the last decade, Jamaica has successfully reduced its public debt, inflation, and external deficits. The implementation of the Fiscal Responsibility Law ("FRL"), along with a policy of inflation targeting and a floating exchange rate regime, helped the economy through the COVID-19 pandemic.

In March 2023, the International Monetary Fund ("IMF") approved a 24-month arrangement of US$968 million under the Precautionary and Liquidity Line ("PLL") and US$764 million under the Resilience and Sustainability Facility ("RSF"). These aim to provide insurance against global risks, strengthen physical and fiscal resilience to climate change, advance decarbonization, and manage transition risks. In February 2024, the IMF and the Jamaican authorities reached a staff-level agreement on the completion of the second reviews of the PLL and RSF.

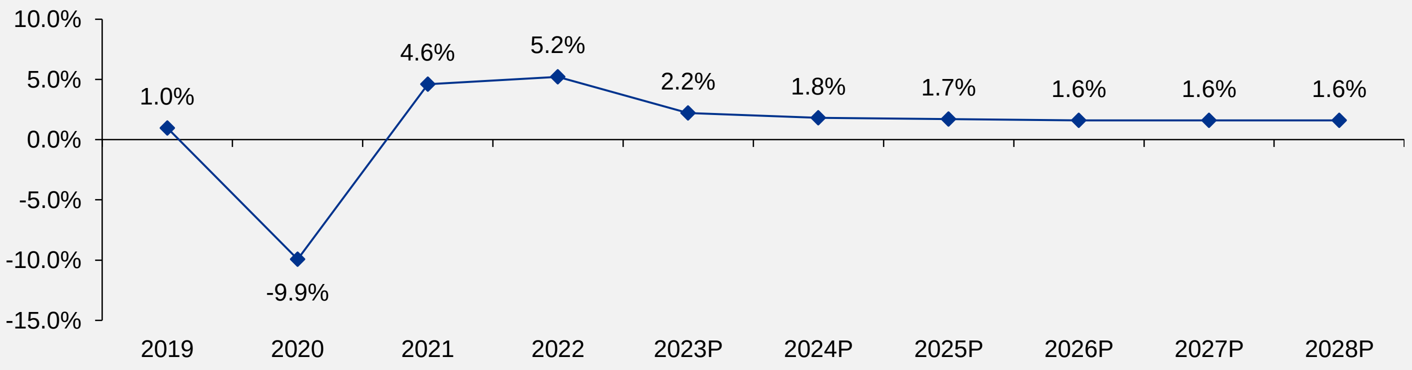
On March 5, 2024, Fitch Ratings upgraded Jamaica's Long-Term Foreign-Currency and Local-Currency Issuer Default Ratings to 'BB-' from 'B+', with a 'Positive' outlook. Nevertheless, Jamaica's geographical and socio-economic characteristics make it vulnerable to climate risks.

GDP growth

As per the IMF, the Jamaican economy is estimated to have expanded by 2.2% in 2023, marking a slowdown from the post-COVID surge of 4.6% and 5.2% in 2021 and 2022, respectively. The growth in 2023 is attributable to the hotels and restaurants, electricity, transportation and storage, and mining and quarrying sectors. As per the Tourist Board, Jamaica received 3.3 million visitors from January 2023 to October 2023. Approximately 2.3 million of these visitors were stop over visitors, representing a 19.8% increase compared to 2022.

The IMF predicts medium-term real GDP growth to average approximately 1.6% driven by manufacturing, consumption, and net exports. Inflationary pressures are expected due to increased public sector and minimum wages, as well as communication service costs. Monetary policy is expected to continue to support growth, ensuring adequate liquidity in the financial system; minimizing pressures on the currency, and returning inflation to its target range by the end of 2024.

GDP growth rate (YoY, %)



Source: IMF

Inflation and unemployment

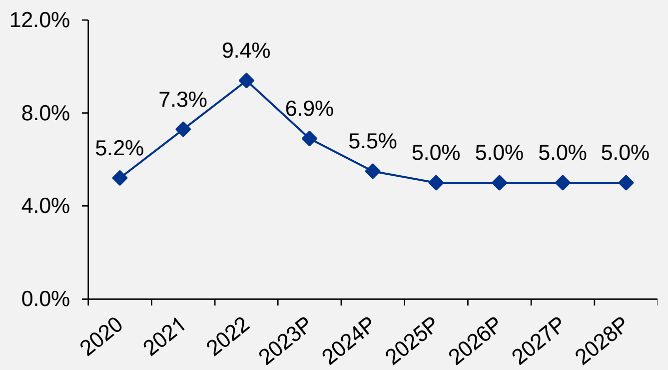
Inflation

Jamaica has not been spared the effects of current global inflation. The IMF estimated inflation at 6.9% in December 2023. The trickle-down effects of the supply chain disruptions, high energy prices, and increase in regulated transport prices have impacted consumer prices.

Energy prices have fallen as compared to the early months of 2023. However, as per MacroTrends, the West Texas Intermediate ("WTI") crude oil price at the end of 2023 was approximately US$71 per barrel, which continues to be high in comparison to pre-pandemic prices.

Despite these factors, inflation is converging to the Bank of Jamaica ("BOJ") target band of 4.0% to 6.0%, though it was recently impacted by an increase in transport prices, whose effects tapered off towards the end of the year.

Consumer prices (end of period, %)



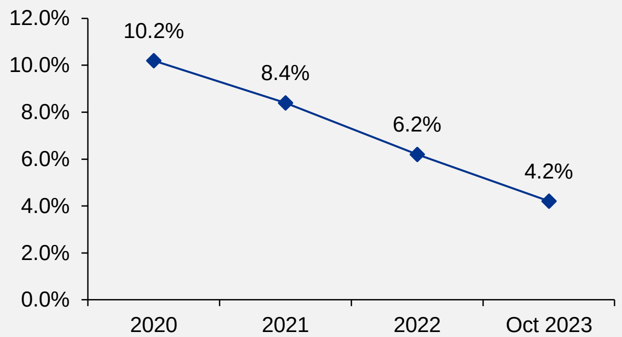
Source: IMF

Unemployment

The island's employment is highly correlated to the tourism industry. With the increase in passenger arrivals surpassing pre-pandemic levels, unemployment fell to a record low of 4.2% as of October 2023.

Jamaica's strong policy frameworks and institutional reforms have not only led to improved public debt, international reserves and declining inflation but have also contributed to the decrease in the unemployment rate.

Unemployment (end of period, %)



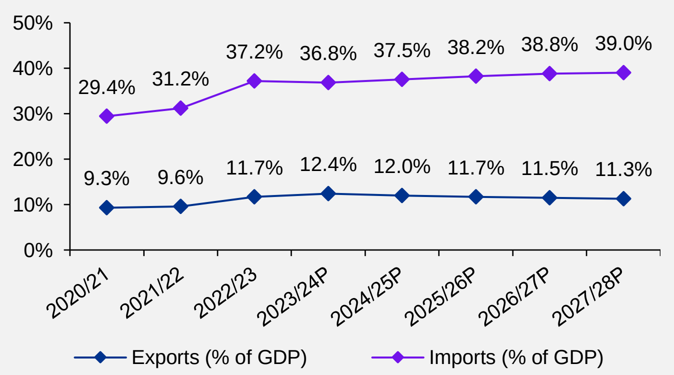
Source: Budget presentation 2024/25, IMF

Trade balance and foreign exchange reserves

Trade balance

The gap between imports and exports as a percentage of GDP is expected to decrease by 1.2% of GDP in 2023/24. The decrease is a result of imports decreasing by US$419.0 million and exports increasing to a lesser extent by US$302.0 million. However, the IMF estimates that the trade gap will widen going forward.

Trade balance (As a % of GDP)



Source: IMF

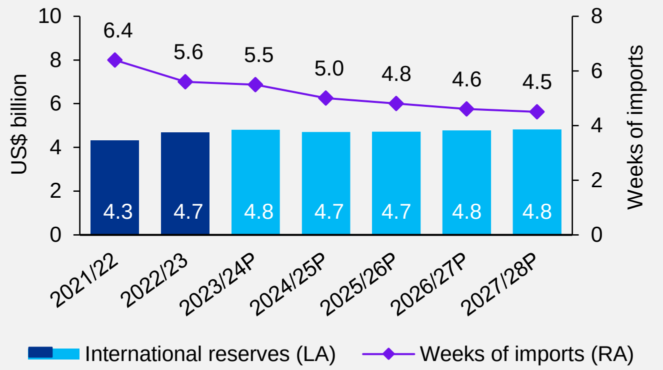
Foreign exchange reserves

Foreign exchange reserves increased to US$4.7 billion, representing 5.6 weeks of import cover by the end of 2022/23.

During the year, international reserves were accumulated through surrender requirements. Additionally, foreign exchange sales to the market helped to temper volatility amidst global uncertainty and the global tightening cycle. The increase in tourism inflows has also helped to bolster Jamaica's international reserves position.

The decrease in months of import cover from 2021/22 is due to the higher cost of imports. This trend is expected to continue in the short to medium term.

Foreign exchange reserves cover (Weeks of imports)



Source: IMF

Budget balance and public sector debt

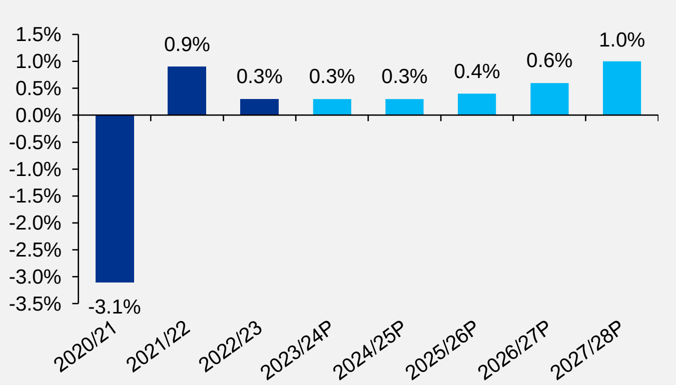
Budget balance

The budget balance was recorded at 0.3% of GDP in 2022/23, reflecting a fiscal surplus of approximately J$8.3 billion. Conditions are expected to improve as fiscal prudence and debt sustainability are expected to be prioritized through enhanced fiscal frameworks and public debt management systems.

Though public sector wage reform is expected to increase the gross wage bill by approximately four percentage points of GDP, the base salary increases will move employees into higher income tax brackets, resulting in higher tax revenue, and program spend is expected to be reduced as allowances are streamlined.

The downward trend of Jamaica's debt will also result in lower interest payments, suggesting further improvement in the budget balance into the medium-term.

Budget balance (As a % of GDP)



Source: IMF

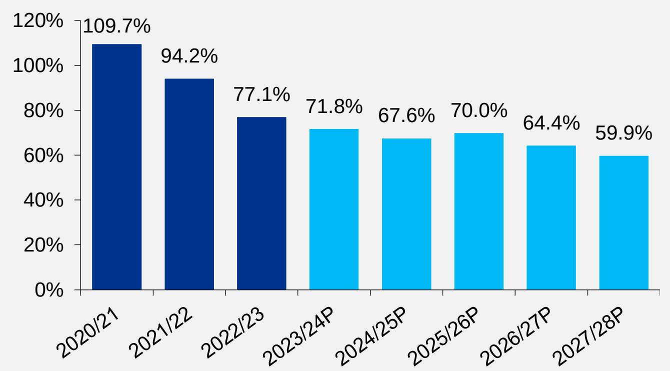
Public sector debt

Jamaica's public debt has been declining steadily as a result of strong fiscal consolidation efforts and prudent debt management.

The public debt fell from 130.2% of GDP in 2017/18 to 94.3% in 2019/20. However, it spiked in 2020/21 to 109.7% due to the macroeconomic effects of the COVID-19 pandemic. Debt reduction efforts resumed promptly following the pandemic.

The authorities are committed to bringing public debt below 60.0% of GDP by 2027/28, although with a modest (two-year) delay from the original 2025/26 target date under the FRL.

Gross public sector debt (As a % of GDP)



Source: IMF

Economic overview

Selected economic indicators	2020/21	2021/22	2022/23	2023/24P	2024/25P	2025/26P	2026/27P	2027/28P	2028/29P
GDP and prices (annual percent change, unless otherwise indicated)									
Nominal GDP (J$ billions)	1,949	2,322	2,752	2,992	3,221	3,428	3,646	3,880	4,128
Real GDP	-11.0	8.2	4.7	1.7	1.7	1.7	1.6	1.6	1.6
Nominal GDP	-8.1	19.2	18.5	8.7	7.7	6.4	6.4	6.4	6.4
Consumer price (end of period)	5.2	11.3	6.2	7.0	5.0	5.0	5.0	5.0	5.0
Consumer price (average)	5.0	7.4	9.5	6.5	6.5	5.0	5.0	5.0	5.0
Unemployment rate[1]	8.9	6.2	4.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Government operations (In percent of GDP)									
Budgetary revenue	29.5	31.0	29.8	31.1	31.2	31.2	31.3	31.3	31.3
Of which: Tax revenue	25.9	26.5	27.4	28.3	28.5	28.5	28.5	28.5	28.5
Budgetary expenditure	32.6	30.1	29.8	30.9	31.0	30.8	30.6	30.3	30.3
Of which: Wages and salaries	10.7	9.6	11.6	12.7	13.7	13.7	13.7	13.7	13.7
Interest payments	6.6	5.9	5.5	5.7	5.0	4.3	3.9	3.6	3.3
Budget Balance	-3.1	0.9	0.3	0.3	0.3	0.4	0.6	1.0	1.0
Of which: Primary balance	3.5	6.8	5.8	6.0	5.3	4.7	4.5	4.6	4.3
Public debt (FRL definition)	109.7	94.2	77.1	71.8	67.6	64.9	62.4	59.6	56.9
External sector (In percent of GDP, unless otherwise indicated)									
Current account balance	-1.3	-0.7	2.0	1.0	-0.2	-1.1	-1.8	-2.0	-2.0
Trade balance	-20.1	-21.6	-25.6	-24.4	-25.6	-26.4	-27.3	-27.8	-28.1
Exports (f.o.b.)	9.3	9.6	11.7	12.4	12.0	11.7	11.5	11.3	11.0
Imports (f.o.b.)	29.4	31.2	37.2	36.8	37.5	38.2	38.8	39.0	39.0
Gross international reserves (US$ millions)	4,244	4,324	4,685	4,800	4,700	4,725	4,775	4,825	4,875
Gross international reserves cover, weeks	9.0	6.4	5.6	5.5	5.0	4.8	4.6	4.5	4.4
Credit ratings									
Standard & Poor's	B+	B+	B+	BB-	n.a.	n.a.	n.a.	n.a.	n.a.
Moody's	B2	B2	B2	B1	n.a.	n.a.	n.a.	n.a.	n.a.

Note: (1) The unemployment rate in FY2022/23 refers to April 2023
Source: BOJ, IMF

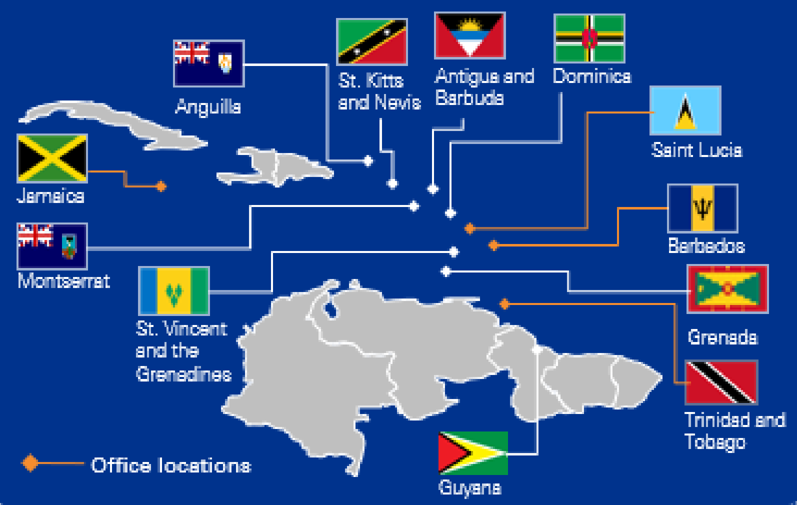
KPMG in Caricom

KPMG in Jamaica forms part of KPMG in Caricom, a member of the international network of KPMG firms that operate in 143 countries and territories, with more than 265,000 partners and employees. These professionals collaborate across industry, service and national boundaries to deliver professional services for the benefit of their clients, KPMG people and the capital markets.

KPMG in Caricom member firms are located in Jamaica, Trinidad and Tobago, Barbados (also practising in Antigua and Barbuda, Anguilla, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia and St. Vincent and the Grenadines). Our practice has strong professional contacts with the KPMG member firms in the Bahamas, Bermuda, Cayman Islands, all of which have similar cultures and operating environments.

KPMG Caricom operates across the region with a specific understanding of the cultural, economic and political facets of each individual economy. In-depth industry knowledge is available through the global KPMG network which provides access to skilled member firm professionals, across a wide range of industry sectors.

Our member firms



KPMG Caricom at a glance

Practising in,
12 countries

- Anguilla
- Antigua and Barbuda
- Barbados
- Dominica
- Grenada
- Guyana
- Jamaica
- Montserrat
- Saint Lucia
- St. Kitts and Nevis
- St. Vincent and the Grenadines
- Trinidad and Tobago

Offices in,
4 physical offices

- Barbados
- Jamaica (two offices)
- Trinidad and Tobago

Our people

49

Partners and Directors

1,200+

Professionals

70% | 30%

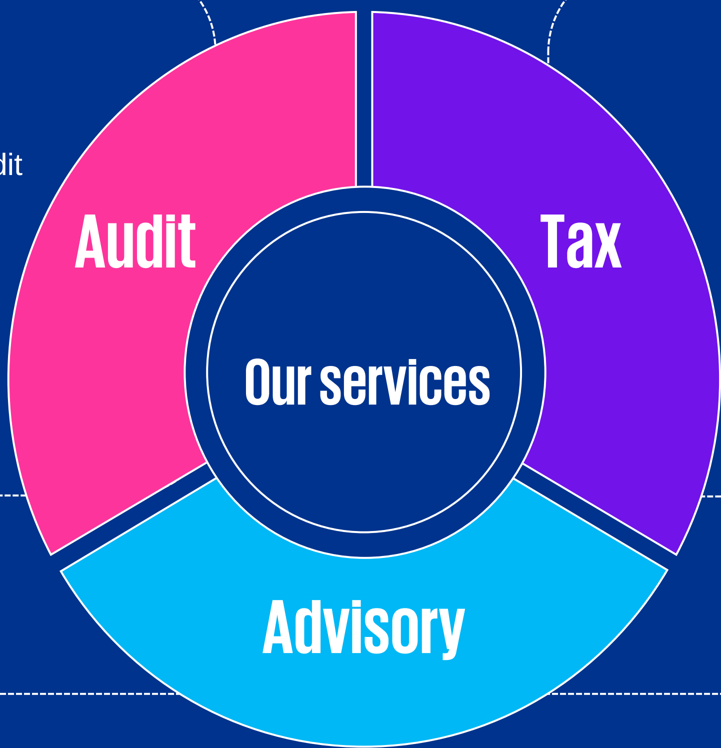
Gender split (F | M)

Celebrating,
100+ years
of service

KPMG in Caricom

Audit and Assurance

- Statutory audit
- Non-statutory audit
- Assurance



Tax

- Tax advisory
- Personal and corporate tax
- International tax
- M&A tax
- Transfer pricing
- Tax due diligence

Management Consulting

- Customer and operations
- IT advisory
- People and change
- Internal audit risk and compliance
- Accounting advisory
- Cyber Security Services

Risk Consulting

- Financial risk management
- Internal audit and risk consulting
- Accounting advisory services

Deal Advisory

- Corporate finance
- Infrastructure
- Valuation services
- Transaction services
- Restructuring

Contact us

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Disclaimer

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