INTERNATIONAL MONETARY FUND

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JAMAICA

January 2026

REQUEST FOR PURCHASE UNDER THE RAPID FINANCING INSTRUMENT—PRESS RELEASE; STAFF REPORT; AND STATEMENT BY THE EXECUTIVE DIRECTOR FOR JAMAICA

In the context of the Request for Purchase Under the Rapid Financing Instrument, the following documents have been released and are included in this package:

- A **Press Release** including a statement by the Chair of the Executive Board.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on January 16, 2026, following discussions that ended on December 17, 2025, with the officials of Jamaica on economic developments and policies underpinning the IMF arrangement under the Rapid Financing Instrument. Based on information available at the time of these discussions, the staff report was completed on December 22, 2025.
- A **Statement by the Executive Director** for Jamaica.

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International Monetary Fund
Washington, D.C.

PRESS RELEASE

PR 26/008

IMF Executive Board Approves a US$ 415 Million Disbursement to Jamaica to Address the Impact of Hurricane Melissa

FOR IMMEDIATE RELEASE

- The IMF Executive Board approved Jamaica's request for emergency financial assistance of about US$415 million to help meet the urgent balance-of-payments needs stemming from the destruction caused by Hurricane Melissa.
- The Jamaican authorities continue to work on the recovery of essential services in the hardest-hit areas and on reconstruction efforts, with focus on supporting the most vulnerable segments of the population affected by the hurricane.
- Jamaica's strong track record of economic reforms has created buffers that are proving invaluable in addressing the economic fallout and reconstruction needs.

Washington, DC – January 16, 2026: The Executive Board of the International Monetary Fund (IMF) approved a disbursement in the amount of SDR 306.32 million (about US$415 million, 80 percent of quota) for Jamaica under the Rapid Financing Instrument's (RFI) large natural disaster window. These resources will help meet the urgent balance of payment needs stemming from the devastation caused by Hurricane Melissa, complementing the resources currently available under Jamaica's disaster risk financing framework.

Jamaica's established track record of economic reforms has created buffers that are helping to address the economic fallout and reconstruction needs after Hurricane Melissa. Nevertheless, the widespread damage caused by the hurricane together with the resulting fiscal pressures and sharp decline in tourism receipts have generated a sizable balance-of-payments need in the short term. The Government of Jamaica is committed to supporting the most vulnerable segments of the population in hurricane-hit areas and rebuilding of damaged infrastructure. While recognizing that the hurricane shock justifies a temporary easing of the fiscal stance, the authorities remain committed to fiscal responsibility and debt reduction once the hurricane shock has receded. The authorities also continue to prioritize achieving their inflation target and ensuring financial stability.

Following the Executive Board's discussion today, Mr. Bo Li, Deputy Managing Director and Chair, issued the following statement:

"Hurricane Melissa has caused unprecedented destruction across Jamaica and is projected to have a significant negative impact on growth and create an urgent balance of payments need. Despite Jamaica's multi-layered disaster risk financing strategy and sound macroeconomic policies over more than a decade, the financial resources available for disaster recovery are insufficient. Consequently, emergency assistance under the Rapid Financing Facility would help to support relief efforts, particularly for the most vulnerable, and accelerate the recovery. Strong collaboration with international partners remains important.

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"The authorities' policy response is helping to mitigate the economic and social impact of Hurricane Melissa. Fiscal policy appropriately aims to provide relief and recovery in the hurricane-affected areas, with a focus on supporting the most vulnerable and rebuilding infrastructure. In this context, the temporary suspension of the fiscal rule is appropriate. The authorities' commitment to prudent fiscal management and public debt reduction, once the hurricane shock has receded, is welcome. Increased public investment necessitates adherence to procurement best practices and strong coordination to support rebuilding efforts.

"With severe damage to agriculture, the hurricane has caused a significant negative supply shock, which is creating inflationary pressures. The Bank of Jamaica's commitment to its inflation target remains essential to anchor inflation expectations and contain second-round effects. Limiting foreign exchange interventions to the prevention of disorderly market conditions is appropriate. Continuous supervisory vigilance to ensure financial stability is warranted.

"Building on their demonstrated commitment to credible policy frameworks and economic reforms, the authorities aim to continue prioritizing measures to ensure medium-term macroeconomic stability."

Jamaica: Selected Economic Indicators

Population (2024): 2.84 million
Quota (current; millions SDRs/% of total): 382.9/0.08%
Main products and exports: Alumina, tourism, chemicals, mineral fuels, bauxite
Key export markets: U.S., U.K., Canada

Per capita GDP (2024): US$7778
Literacy rate (2022)/Poverty rate (2021): 91.7%/16.7%
Unemployment rate (July 2025): 3.3%

	2023/24	2024/25	2025/26	2026/27
	Act.	Act.	Proj.	Proj.
Output				
Real GDP growth (%)	1.9	-0.5	-4.3	0.8
Employment				
Unemployment (%) 1/	4.2	3.3	...	...
Prices				
Inflation, end of period (%)	5.6	5.0	9.5	5.0
Inflation, average (%)	6.2	5.1	4.9	8.0
Central government finances 2/				
Budgetary revenue (% of GDP)	27.7	30.3	30.3	28.2
Budgetary expenditure (% of GDP)	27.7	30.0	33.8	33.0
Budget balance (% of GDP)	0.0	0.2	-3.4	-4.8
Of which: central government primary balance	5.2	5.4	1.7	0.2
Public entities balance (% of GDP)	2.1	1.5	0.0	0.0
Public sector balance (% of GDP)	2.1	1.7	-3.4	-4.8
Public debt (% of GDP)	66.5	62.4	68.6	65.9
Money and credit				
Broad money (% change)	9.1	10.2	1.4	8.9
Credit to the private sector (% change)	9.4	6.5	1.7	9.7
Treasury bill rate, end-of-period (%)	8.1	5.7	...	...
Treasury bill rate, average (%)	8.1	7.1	...	...
Balance of payments				
Current account (% of GDP)	2.8	3.1	-2.0	-5.3
FDI, net (% of GDP)	2.2	1.3	1.7	1.9
Gross international reserves (months of imports)	6.4	7.3	6.7	6.0
External debt (% of GDP)	68.2	64.3	63.0	63.8
Exchange rate				
End-of-period REER (appreciation +)	-0.5	3.8	...	...

Sources: Jamaican authorities; UNDP Human Development Report; Information Notice System; and Fund staff estimates and projections.

1/ End-April.

2/ Fiscal year is April 1 to March 31. Government finances data presented according to the authorities' definitions.

INTERNATIONAL MONETARY FUND

JAMAICA

December 22, 2025

REQUEST FOR PURCHASE UNDER THE RAPID FINANCING INSTRUMENT

Summary. Hurricane Melissa struck Jamaica shortly after the country successfully completed its Precautionary and Liquidity Line and the Arrangement under the Resilience and Sustainability Facility with the Fund. Jamaica's strong track record of economic reforms has created critical buffers that are proving invaluable in addressing the economic fallout and reconstruction needs. Nevertheless, the widespread devastation caused by the hurricane, rising fiscal pressures, and a sharp decline in tourism receipts have generated a sizable balance-of-payments need in the short term. The authorities are, therefore, requesting emergency financial support under the Rapid Financing Instrument's large natural disaster window of 80 percent of quota (SDR 306.32 million or about US$415 million).

Policy Response. The most urgent policy priorities are to complete the recovery of essential services in the hurricane-hit areas and ensure rapid and efficient reconstruction efforts. The Government of Jamaica is committed to supporting the most vulnerable segments of the population in hurricane-hit areas and rebuilding of damaged infrastructure. The authorities recognize that the hurricane shock justifies a temporary easing of the fiscal stance, which will lead to an increase in public debt. They remain firmly committed to fiscal responsibility and debt reduction once the hurricane shock has receded. The Bank of Jamaica remains committed to achieving its inflation target and to ensuring financial sector stability.

Staff Assessment. The RFI is the appropriate instrument for Jamaica at this juncture given the urgent balance-of-payments needs facing the country. Staff is confident that the authorities will pursue appropriate policies based on their strong track record and policy commitments as well as a robust institutional framework for macroeconomic management. The requested access under the RFI is within applicable limits under the GRA. Jamaica's debt remains sustainable and Jamaica maintains an adequate capacity to repay the Fund. Staff recommends Board approval of Jamaica's request for a purchase under the Rapid Financing Instrument's large natural disaster window of 80 percent of quota.

Approved By
Nigel Chalk (WHD) and Jay Peiris (SPR)

Discussions took place virtually during December 16-17, 2025. The staff team comprised Mauricio Villafuerte (head), Siyao Chen, Pierre Guérin, and Jorge Salas (all WHD). Sandra Frances and Eliana Porras Herrera (both WHD) provided editorial assistance. Mr. Francis (Senior Advisor, OED) participated in the discussions. The team met with Minister of Finance Fayval Williams, Central Bank Governor Richard Owen Byles, and other senior officials.

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RECENT DEVELOPMENTS & OUTLOOK

1. **Over the last decade, Jamaica had become a model of macroeconomic discipline and has taken important efforts to strengthen institutions and increase the country's preparedness for natural disasters.** Jamaica has substantially reduced public debt, inflation, and external deficits. Jamaica has built a strong track record of investing in institutions (including through the establishment of fiscal responsibility legislation, improvement in budget process and public financial management, the creation of a fiscal council, and the introduction of an inflation targeting framework). The government also increased its ability to confront natural disasters including through reforms under the RSF arrangement (e.g., the adoption of a disaster risk financing policy, incorporating resilience into public investment management, and increasing resilience of the financial system to natural disasters).

2. **Prior to Hurricane Melissa, the economic outlook was favorable.** Growth was rebounding after Hurricane Beryl and was projected to exceed 2 percent in FY2025/26. Inflationary pressures remained subdued, with headline inflation at 2.9 percent in October. The fiscal stance was prudent, with a balanced budget and a declining public debt. Indeed, public debt, under the authorities' definition, was on track to meet the Fiscal Responsibility Law target of 60 percent of GDP by the end of FY2025/26, two years ahead of the target date. Sovereign spreads had fallen below 100 bps in October, a historical low that signaled strong market confidence.

3. **Hurricane Melissa hit Jamaica on October 28th causing widespread damage.** Hurricane Melissa made landfall as a Category 5 hurricane—the highest category in the Saffir-Simpson scale—, with wind speeds reaching up to 185 mph, storm surges, and heavy rainfall. Melissa is one of the strongest storms ever recorded to make landfall. The number of confirmed dead has reached 45, while at least 90,000 people have been displaced. Damages in western Jamaica were devastating and preliminary estimates point to reconstruction costs at US$8.8 billion (41 percent of GDP), of which about half are expected to be borne by the public sector (Box 1). More than 300 schools have been severely impacted and hospitals in the affected areas have suffered major impacts. Thanks to relief and recovery efforts, by early December, 78 percent of the electricity grid and 80 percent of the telecommunication networks had been restored, while 95 percent of roadways were open.

4. **Hurricane Melissa is expected to lead to significantly weaker growth in the near term.** The western parishes of Jamaica, which bore the brunt of the hurricane, are the center of tourism and agricultural activities. Tourism services, which accounts for about a third of the economy, suffered extensive damage as the eye of the hurricane passed near Montego Bay, Jamaica's tourism hub. The agricultural sector, represents 8 percent of GDP and suffered substantial damage. The power grid and water system have been severely affected, causing widespread outages and disrupting economic activity. The economy is projected to contract by 4.3 percent in FY2025/26. Despite reconstruction efforts, recovery is expected to be shallow given the widespread impact on productive capacities. Output is expected to return to its pre-hurricane level only in 2028.

5. **Hurricane Melissa represents a pronounced balance-of-payments shock.** The current account balance is projected to deteriorate from a surplus of 1.0 percent to a deficit of 2.0 percent of GDP in FY2025/26 and a surplus of 0.1 percent to a deficit of 5.3 percent of GDP in FY2026/27. The sharp drop in tourist arrivals is expected to be only partially mitigated by an increase in remittances from the Jamaican diaspora. On the financial account, FDI inflows are projected to increase over the medium-term, supported by reconstruction efforts in hurricane-affected sectors. The overall effect, though, is an urgent external financing need of over USD 1.4 billion (about 6 ½ percent of GDP). It is anticipated that such gap will be covered by the activation of Jamaica's multi-layered disaster risk financing strategy (arranged with the support from the World Bank and the IDB) alongside financial support from the Fund and other international financial institutions.[1] Given the support from the international community, reserves are expected to edge up to US$5.9 billion, about 89 percent of the Fund's reserve adequacy metric in FY2026/27.

External Financing Requirements and Sources

(In millions of US dollars)

	2024/25	2025/26		2026/27	
		Pre-Hurricane Melissa	Post-Hurricane Melissa	Pre-Hurricane Melissa	Post-Hurricane Melissa
Financing requirements	**850**	**836**	**1,889**	**1,219**	**1,226**
Current account deficit	-684	-234	447	-35	1,226
o/w: Travel receipts	4,056	4,366	3,014	4,454	3,608
Oil imports	2,009	1,650	2,311	1,664	2,384
Remittances	3,285	3,357	3,575	3,464	3,955
Capital account	18	22	22	20	22
Government	832	526	630	720	788
Other capital outflows	684	522	789	514	-809
Financing sources	**1,514**	**939**	**812**	**1,268**	**826**
FDI (net)	298	492	378	445	434
Government borrowing	756	433	434	823	392
Other items (net)	460	0	0	0	0
Financing gap	**-664**	**-103**	**1,077**	**-49**	**400**
Potential financing sources	**-664**	**-103**	**1,077**	**-49**	**400**
RFI			415		0
IFIs			662		400
Other official support / reserves drawdown	-664	-103	0		0
Memorandum					
Current account (percent of GDP)	3.1	1.0	-2.1	0.1	-5.4
Reserves	5,826	5,826	5,826	5,876	5,876
(In months of prospective imports of GNFS)	7.3	6.9	6.7	6.7	5.9
(In percent of ARA metric)	91	94	87	95	89

Sources: Jamaican authorities and IMF staff estimates.

Box 1. Estimated Damages from Hurricane Melissa

The Global Rapid Post-Disaster Damage Estimation (GRADE), led by the WB in collaboration with the IDB, estimates direct physical damages at US$8.8 billion (41 percent of GDP). This makes hurricane Melissa the costliest hurricane in Jamaica's recorded history. The GRADE assessment will inform a detailed sectoral evaluation of both damages and economic losses, scheduled for release in early 2026, led by the Planning Institute of Jamaica (PIOJ) in coordination with the UN Economic Commission for Latin America and the Caribbean (ECLAC), the WB, and the IDB.

Damages were concentrated in the western and central parishes, which accounted for 90 percent of the total. The St. Elizabeth parish alone registered US$2.3 billion in losses. Residential buildings and contents represented the largest share (US$3.7 billion, 41 percent of total damage), followed by infrastructure (US$2.9 billion, 33 percent), non-residential buildings (US$1.8 billion, 20 percent), and agriculture (US$0.4 billion, 4 percent). While no breakdown is available for public versus private sector damages, hurricane Beryl in 2024 showed a split of 43 percent public and 57 percent private (PIOJ, 2024), which is expected to be similar for hurricane Melissa.

Beyond immediate damage to physical assets, hurricane Melissa is expected to generate significant losses in economic activity, particularly in tourism and agriculture. Total economic costs will be higher once economic losses and "build back better" needs are incorporated. Hurricane Melissa is expected to exacerbate poverty, food insecurity, and social vulnerabilities. Jamaica's multi-layered disaster risk financing framework for the public sector is comprehensive and enabled a swift inflow of liquidity to the Government of Jamaica. Nevertheless,

[1] See for example the commitments from various international financial institutions, IMF Press Release 25/400.

Box 1. Estimated Damages from Hurricane Melissa (Concluded)

given the estimated impact, additional financing is required to address balance-of-payments needs. Private sector insurance coverage for losses due to hurricane Melissa is estimated between US$1 bn and US$4.2 bn.

Source: World Bank (2025), Global Rapid Post-Disaster Damage Estimation (GRADE) Report / Hurricane Melissa 2025 Jamaica, Global Rapid Post-Disaster Damage Estimation (GRADE): Hurricane Melissa 2025 Jamaica | GFDRR and PIOJ (2024), Post-Disaster Needs Assessment of the Impact of Hurricane Beryl on Jamaica–July 3, 2024, https://www.pioj.gov.jm/product/post-disaster-needs-assessment-of-the-impact-of-hurricane-beryl-on-jamaica-july-3-2024/.

RISKS

6. **The main risk facing Jamaica stems from the spillovers of hurricane Melissa creating more severe and long-lasting effects on the economy and balance of payments than is currently expected.** Staff projections assume that tourism capacity will gradually recover by end-2026. However, the recovery in tourism could be more protracted if damages are more extensive than initially estimated and the post-disaster reconstruction efforts lag current plans. A lack of social cohesion and insufficient protection of the most vulnerable could undermine the government's policy efforts and hamper implementation of the recovery plan. This adds uncertainty to the baseline scenario and suggests a potential need for higher reconstruction spending, which would require additional external financing with concomitant impacts on debt and growth dynamics. The back-to-back occurrence of hurricanes Beryl and Melissa in consecutive years underscores that natural disasters are an ever-present risk to economic activity, public debt, and financial stability and could repeat even as Jamaica tries to recover from Melissa.

AUTHORITIES' RESPONSE TO THE HURRICANE

7. **Fiscal policy has appropriately shifted towards providing relief and recovery in the hurricane-affected areas.** To address the economic impact of the hurricane, the authorities suspended the fiscal rule for FY2025/26 and FY2026/27.[2] They have approved a tax waiver on specific goods—38 agricultural items—imported by the population for hurricane recovery (until end-February 2026) and have put in place a fiscal package to support the most vulnerable segments of the population in hurricane-hit areas and to start rebuilding infrastructure (as part of the resilient housing and rebuilding recovery program). The Third Supplementary Budget announced in early December 2025 increases spending and loans by around 3 percent of GDP for FY2025/26 and includes the following measures:

- Hurricane Melissa response and relief package (0.8 percent of GDP) includes road repairs, the procurement of containerized homes, allocation to cover the costs of goods and services

[2] Article 48C of the Fiscal Responsibility Law outlines the conditions under which the fiscal rule may be suspended—namely, during a period of public disaster or public emergency, a severe economic contraction (defined as an impact greater than 1.5 percent of GDP), or a financial sector crisis. The Independent Fiscal Commission provides independent verification of the validity of such suspension, which also requires parliamentary approval.

provided to affected people, a National Cleanup program (for debris removal), and temporary support to workers displaced from the tourism industry;

- Higher spending for the Office of the Prime Minister to coordinate and provide emergency relief (0.5 percent of GDP);
- Higher spending for the Ministry of Education, Skills, Youth and Information (0.5 percent of GDP) for school repairs and subsidies to universities;
- Higher spending for the Ministry of Health and Wellness (0.4 percent of GDP) for the delivery of needed health services and hospital reconstruction and modernization;
- A loan (0.7 percent of GDP) to the private electric utility company to reconstruct the electric grid;
- A permanent shift of the due date of corporate income tax payments from mid-March to mid-April will lower revenues in FY2025/26 (1.1 percent of GDP);[3]
- An increase in non-tax revenues from payouts on the World Bank catastrophe bond and the Caribbean Catastrophe Risk Insurance Facility (1.1 percent of GDP).[4]

Box 2. Jamaica's Multi-layered Disaster Risk Financing Framework

Jamaica has established a robust disaster risk financing framework that combines multiple layers of domestic and external instruments. Following hurricane Melissa, all instruments were activated to enable a rapid flow of funds to meet spending needs that eased external financing needs in FY2025/26. The instruments include the following:

- a Contingency Fund and National Natural Disaster Reserve Fund, amounting to 0.2 percent of GDP at the time of the hurricane (domestic instruments);
- a World Bank catastrophe bond that triggered a 0.7 percent of GDP payout (which is recorded as non-tax revenue in FY2025/26);
- payments from the Caribbean Catastrophe Risk Insurance Facility amounting to 0.4 percent of GDP (which is recorded as non-tax revenue in FY2025/26);
- a Catastrophe Deferred Drawdown Option with the World Bank (up to 0.4 percent of GDP, which adds to public debt); and
- a Contingent Credit Facility with the IDB (up to 1.4 percent of GDP, which adds to public debt).

8. **The authorities intend to strengthen their adherence to best practices in procurement and contract awards related to the post-disaster reconstruction.** Public investment is expected to rise significantly—by about 80 percent in nominal terms—in FY2026/27 and thereafter grow broadly in line with nominal GDP. Yet, past challenges in public-sector procurement procedures delayed project implementation. To address these challenges, the authorities established a time-

[3] The authorities are moving the largest corporate income tax payment of the year from mid-March to mid-April to shift the year-end revenue spike to the start of the new fiscal year to facilitate budget planning.

[4] Non-tax revenues in FY2025/26 are also supported by the securitization of revenue flows from Montego Bay airport in July 2025. The authorities consider the proceeds of this operation as non-tax revenue, improving the fiscal balance (and reducing the debt stock). Under the 2014 GFSM methodology, staff considers that this securitization should be recorded as debt accumulation rather than revenue. On this basis, public debt at end-FY2025/26 would be 4 percent of GDP higher than under the authorities' definition.

bound National Reconstruction and Resilience Authority (NARA), supported by World Bank technical assistance, to lead, coordinate, fast-track, and oversee rebuilding efforts. There is a focus on investing in more climate-resilient infrastructure, particularly in the reconstruction of the road network. The National Natural Disaster Reserve Fund, established under the RSF arrangement, will serve as the initial source of financing for recovery and reconstruction (Box 2). All public sector purchases will be subject to the policies under the Public Procurement Act of 2015 (which adheres to the principles of transparency, fairness, integrity and ensuring public confidence in the procurement process). A parliamentary oversight committee has been set up to monitor relief, recovery, and reconstruction efforts. Further, the Auditor General's department is conducting a real-time audit to ensure transparency and accountability for the resources received and used under the hurricane Melissa relief initiative.

9. Monetary policy will focus on ensuring a quick convergence of inflation back to its target range. The hurricane has caused a significant negative supply shock, particularly through damage to agricultural production across Jamaica—including land devoted to crop production and animal farming— which is expected to lead to temporarily higher food prices. Although headline and core inflation stood at 2.9 percent and 3.2 percent respectively in October—both below the target range of 4.0 to 6.0 percent—the expected rise in food prices will drive headline inflation significantly higher in the near term. Reflecting these pressures, headline inflation rose to 4.4 percent in November, while core inflation increased slightly to 3.4 percent.[5] The Bank of Jamaica intends to manage the monetary policy rate to ensure inflation expectations are anchored and second round effects from this supply shock are contained.

10. The BOJ's foreign exchange intervention will be guided by the prevention of disruptive market conditions. Given Jamaica's shallow FX markets, the severe shock caused by hurricane Melissa has justified the use of FX intervention to smooth the adjustment in the exchange rate. Further, the BOJ believes that using interest rates alone to address inflationary pressures will create costly trade-offs that can be avoided by modest FX sales (in line with the temporary nature of the BOP shock facing the country). FX sales were US$210 million in November and the BOJ has, on an emergency basis, begun direct FX sales to selected entities in the energy sector and announced future FX sales (that will be undertaken through a competitive auction) as explained in its November monetary policy press release.

11. Efforts are underway to provide credit relief to borrowers amid the hurricane shock. The National Housing Trust (NHT) has instituted a six-month mortgage moratorium for those residents in the most severely hurricane-hit areas (about 20,000 households). The NHT will also offer home improvement loans and grants to facilitate reconstruction and repair of damaged homes.[6] Households with NHT mortgages who suffered damage to property are eligible to submit insurance claims for their property. Financial institutions have announced plans to offer moratoriums on loan repayments, with relief assessed on a case-by-case basis. Banks continue to display strong liquidity

[5] The core inflation measure excludes food, fuel, alcohol and tobacco, and transportation components.

[6] The NHT offers means-tested, subsidized mortgage rates to eligible NHT contributors.

and high levels of capitalization. The BOJ has indicated it will maintain adequate system liquidity and ensure its standing facilities remain fully available.

DEBT SUSTAINABILITY

12. Despite the severe hurricane shock, Jamaica's public debt is sustainable (Annex 1). In spite of the large economic shock caused by the COVID-19 pandemic, public debt declined from 101.3 percent of GDP in FY2020/21 to 62.4 percent of GDP in FY2024/25, supported by large primary surpluses. The debt-to-GDP ratio is expected to increase to 68.6 percent of GDP in FY2025/26, reflecting the economic contraction caused by hurricane Melissa and the large spending needs from the reconstruction efforts, and the temporary suspension of the fiscal rule. In FY2025/26 and FY2026/27, the additional financing needs due to the impact of Hurricane Melissa are to be met by borrowing from the disaster risk financing framework instruments, the RFI, and a large drawdown in government deposits (anticipated at about 3 percent of GDP in FY2026/27). The primary balance is projected to be about 2 percent of GDP lower toward the end of the medium-term projection horizon relative to the 2025 Article IV consultation (Box 3). Borrowing from international financial institutions is expected to contribute to these additional financing needs. The authorities remain committed to prudent fiscal management, including by resuming a downward path for the debt-to-GDP ratio, once the hurricane shock has receded.

Box 3. Comparing Fiscal Projections Between Staff Reports for the RFI Disbursement and 2025 AIV Consultation

The projections for Jamaica's fiscal variables in the staff report for the RFI disbursement, which rely on the authorities' December 2025 medium-term fiscal projections, differ markedly from those in the 2025 Article IV consultation. Table 1 compares key fiscal indicators across the two reports (Panels A and B). Figures are shown in nominal terms to ensure consistency, as GDP-scaled data would distort comparisons due to the GDP rebasing to the 2015 base year in July—making FY2024/25 nominal GDP about 10 percent higher than under the 2007 base year used in the 2025 Article IV consultation—and the disruption to economic activity caused by hurricane Melissa.

Panel C indicates that in FY2025/26 and FY2026/27, the primary balance deteriorates by 3.3 and 4.1 percent of GDP, respectively. This decline reflects lower revenues following Hurricane Melissa, increased program spending to mitigate its economic and social impact, and higher compensation of employees driven by a supplementary budget in July 2025. By FY2029/30, the primary balance remains about 2 percent of GDP lower, largely due to sustained increases in compensation, higher program expenditures, and weaker tax revenues.

Finally, it is important to underscore the considerable uncertainty surrounding Jamaica's economic outlook. A stronger-than-expected increase in public investment—beyond what is assumed in the baseline that reflects the authorities' December 2025 medium-term fiscal projections—could increase public indebtedness but also boost growth. The latter, in turn, would improve tax revenues and strengthen fiscal accounts over the long term.

Comparing Fiscal Projections Between Staff Reports for the RFI Disbursement and the 2025 AIV Consultation

Panel A. Article IV 2025 (A)

		Estimates			Projections		
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Compensation of employees	403,618	446,767	495,799	526,716	560,747	592,169	628,788
Programme expenditure 1/	292,464	366,668	359,358	344,899	367,669	391,009	415,831
Capital expenditure	55,864	57,456	62,596	75,668	88,691	98,495	109,186
Budgetary Revenue and Grants	925,283	1,060,442	1,095,847	1,109,197	1,185,711	1,258,940	1,338,919
Tax revenues	831,574	884,622	949,258	1,014,084	1,083,229	1,150,865	1,223,924
Primary budget balance	173,338	189,551	178,094	161,915	168,604	177,266	185,114

Panel B. Staff report for RFI disbursement (B)

					Projections		
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Compensation of employees	403,618	446,767	521,845	555,246	588,732	624,270	668,475
Programme expenditure 1/	292,464	366,668	430,300	412,291	431,384	430,850	451,106
Capital expenditure	55,864	57,456	55,482	99,740	100,807	105,254	114,836
Budgetary Revenue and Grants	925,283	1,058,576	1,068,137	1,073,359	1,160,745	1,233,540	1,314,694
Tax revenues	831,574	882,756	869,829	974,507	1,056,459	1,123,542	1,197,080
Primary budget balance	173,338	187,685	60,510	6,081	39,822	73,167	80,278

Panel C. Projection comparison (B)-(A) relative to nominal GDP base year 2015 (in pp)

					Projections		
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Compensation of employees	0	0	0.7	0.7	0.7	0.7	0.9
Programme expenditure 1/	0	0	2.0	1.8	1.5	0.9	0.8
Capital expenditure	0	0	-0.2	0.6	0.3	0.2	0.1
Budgetary Revenue and Grants	0	0	-0.8	-0.9	-0.6	-0.6	-0.5
Tax revenues	0	0	-2.3	-1.0	-0.7	-0.6	-0.6
Primary budget balance	0	0	-3.3	-4.1	-3.1	-2.4	-2.2
Memorandum Items:							
Nominal GDP (billion J$), 1/	3,339	3,498	3,520	3,811	4,111	4,392	4,668

1/ GDP base year 2015 used in the staff report for the RFI disbursement.

POLICY RECOMMENDATIONS

13. **Staff supports the authorities' policy response to mitigate the economic and social impact of Hurricane Melissa.** The temporary suspension of the fiscal rule and the swift implementation of a comprehensive fiscal package are appropriate to provide needed relief, ensuring that aid reaches those who need it most, and to accelerate the recovery in the most affected areas. Funds from the disaster risk financing framework should be spent efficiently and, for those devoted to emergency relief, quickly in order to be effective. The authorities' commitment to resume public debt reduction once the hurricane shock subsides underscores their strong commitment to macroeconomic stability, an essential commitment that has underpinned investor confidence. Staff recommends, consistent with the authorities' commitment, a prompt return to the fiscal rule after the hurricane shock subsides to strengthen fiscal sustainability. The BOJ should continue to use the monetary policy rate as the main tool for inflation control, using foreign exchange intervention only in limited circumstances as prescribed in the Integrated Policy Framework. Direct FX sales to entities in the energy sector should be strictly time-bound, exceptional, and conducted on market-consistent terms. Staff further recommends that policy communication reinforce Jamaica's commitment to exchange rate flexibility as a shock absorber.

14. **While Jamaica's financial sector is well-positioned to absorb the immediate impacts of Hurricane Melissa, close monitoring and readiness to address emerging risks will be essential.**

Given Jamaica's exposure to natural disaster, property loans typically require insurance coverage. Insurance companies, in turn, have reinsured a large share of these liabilities with overseas companies. This should significantly mitigate the balance sheet impact of the disaster on the domestic insurance sector. Banks' credit exposure to the sectors most affected by the hurricane is modest (5.3 percent in tourism, 3.5 percent in construction, and 1.1 percent in agriculture). The financial system remains well-capitalized and liquid. The BOJ has conducted stress tests and systemic risk evaluations, demonstrating sufficient capital and liquidity to absorb this large shock. Ongoing vigilance by the authorities to monitor potential risks to financial stability and the real economy will, though, be essential as more clarity become available on the size of the economic impact and the likely timeline to recover.

MODALITIES OF SUPPORT

15. The RFI is the appropriate instrument for Jamaica at this juncture. Jamaica meets the eligibility requirements for support under the RFI's large natural disaster window, as the estimates of damages exceed 20 percent of GDP at 41 percent of GDP (Box 1). It has an urgent balance of payments need, which, if not addressed promptly, would result in immediate and severe economic disruption. It is also not feasible at this stage to put in place an upper-credit-tranche Fund program due to the urgent needs facing Jamaica. On the basis of Jamaica's strong track record and policy statements, staff is confident the authorities will continue to consult with the Fund and pursue policies appropriate to address the impact of hurricane Melissa and ensure macroeconomic stability over the medium-term. Jamaica's existing and prospective policies are sufficiently strong to mitigate the shocks and impacts of the hurricane.

16. Jamaica's capacity to repay the Fund is adequate (Table 6). As of end-November 2025, Jamaica's total credit outstanding to the Fund was SDR591 million (154.31 percent of quota), comprising RST loans (150 percent of quota) and EFF purchases (4.31 percent of quota). Jamaica does not currently have an IMF arrangement, and access of 80 percent of quota is within the applicable access limits under the GRA and equals the annual maximum under the RFI's large natural disaster window. Debt outstanding to the IMF would reach around 230 percent of quota (80 percent of quota excluding the RSF) or 5.3 percent of GDP in 2026. Debt service to the Fund would peak in 2030 at SDR191 million (SDR170 million excluding the RSF) corresponding to 1 percent of GDP, 3.1 percent of exports or 4.3 percent of gross international reserves. Capacity to repay the Fund is expected to remain adequate, even if the hurricane-related shock becomes more persistent, reflecting the limited access under the Fund programs. Over the longer term, risks are mitigated by the authorities' strong commitment to reforms and debt sustainability. Credible policy frameworks and institutions also mitigate risks.

17. The authorities commit to undergo a safeguards assessment. This should be completed before the Executive Board approval of any subsequent arrangement to which the safeguards policy applies. Given the potential for budget support, the authorities confirm in their Letter of Intent that they will establish a framework (e.g., through a memorandum of understanding) between the Bank of Jamaica and the Ministry of Finance and the Public Service that clarifies their respective responsibilities for timely servicing of Jamaica's obligations to the IMF.

AUTHORITIES' VIEWS

18. The authorities agreed with the staff's assessment of the economic outlook and risks. They expect a sharp near-term economic contraction, driven by extensive infrastructure damage and disruptions to economic activity following the hurricane shock. The labor market was tight before the hurricane and employment is expected to fall in the near-term as many businesses' activities have been disrupted. Inflation is expected to rise sharply, mainly reflecting the hurricane's impact on the agricultural sector. The authorities stressed that their comprehensive disaster risk management policy enabled a proactive response to the hurricane shock.

19. The fiscal response is directed to support Jamaica's recovery, while safeguarding debt sustainability. The authorities foresee a reduction in the primary surplus to 1.7 percent of GDP in FY2025/26 to respond to the hurricane shock, followed by a further reduction to near zero percent of GDP in FY2026/27 to allow for the reconstruction of damaged physical infrastructure. The additional spending needs in FY2025/26 and FY2026/27 are expected to be met from the disaster risk financing framework, domestic borrowing, support from official creditors, including the RFI for budget support should the need arise, and a drawdown in existing cash buffers. Despite the severe impact of the hurricane on Jamaica's economy, the authorities remain firmly committed to fiscal responsibility and debt consolidation over the medium.

20. Within its inflation-targeting framework, the central bank is adjusting its policies to respond to the hurricane shock. The BOJ remains committed to limiting the hurricane's inflationary effects to limit hardships on vulnerable groups and support conditions for economic recovery. It emphasized that data-dependent monetary policy, focused on monitoring the second-round impact of higher food prices on core inflation, will aim at securing inflation convergence to the target range as soon as feasible and at anchoring inflation expectations. They justified the use of FX sales in the short term in the face of a supply shock to prevent disorderly market conditions and unwarranted monetary policy trade-offs. The authorities underscored that the banking sector is well-positioned to absorb the shock, thanks to high provisioning, strong capital positions, and low non-performing loans. Supervisory guidance has been issued for temporary voluntary customer relief arrangements for loan repayments. Financial system supervisors will remain vigilant, closely monitoring risks and evaluating appropriate policy responses to preserve financial stability.

STAFF APPRAISAL

21. Hurricane Melissa has severely impacted the Jamaican economy. It was a top-end Category 5 hurricane—one of the strongest Atlantic hurricanes on record to make landfall. Damage in western Jamaica has been very large, estimated at about 41 percent of GDP. Near-term growth is expected to weaken significantly, and there are urgent balance-of-payments' needs. Jamaica's robust disaster risk financing framework facilitated an immediate inflow of liquidity to support emergency response. However, the scale of damage far exceeds the resources available under this framework.

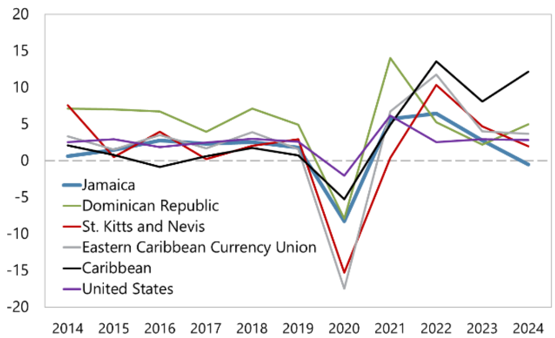
22. The authorities' policy response has been appropriate and anchored in strong policy frameworks. In the immediate aftermath of the disaster, efforts focused on providing humanitarian relief to the most affected areas. The authorities' current priorities are to complete the recovery of essential services in the hurricane-hit regions and ensure rapid, efficient reconstruction. The scale of devastation warrants a temporary reduction of the primary surplus and suspension of the fiscal rule. Achieving the Fiscal Responsibility Law's debt target of 60 percent is delayed due to the hurricane. Nevertheless, staff welcomes the authorities' continued commitment to prudent fiscal management, which would be bolstered by ensuring that disaster-related expenditures are appropriately phased out once the hurricane shock dissipates. The BOJ's monetary policy stance, under its inflation-targeting regime, remains appropriate to anchor inflation expectations and contain second-round effects from this supply shock.

23. Staff supports the authorities' request for an RFI under the large natural disaster window, in the amount of 80 percent of quota (306.32 million, or about US$415 million), justified by the extent of damage—estimated at 41 percent of GDP—and the resulting urgent balance-of-payments' needs. Staff also supports the use of RFI resources for budget support, should the need arise. Jamaica's capacity to repay the Fund remains adequate.

Figure 1. Jamaica: Real Sector Developments

Prior to hurricane Melissa, real GDP growth stalled in 2024 due to hurricane Beryl and tropical storm Raphael…

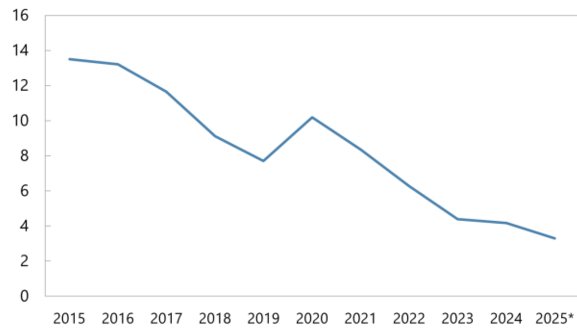
Real GDP Growth
(In percent)



Sources: WEO, Bank of Jamaica, and IMF calculations.

…but unemployment has fallen to historic lows.

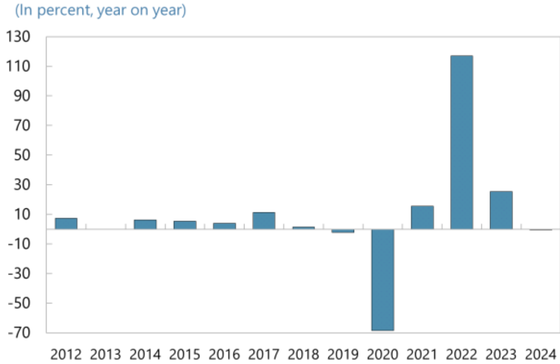
Unemployment
(In percent)



Sources: STATIN and IMF staff calculations.
*Up to 2025Q3

The tourism and hospitality sector fully recovered from the pandemic prior to hurricane Melissa.

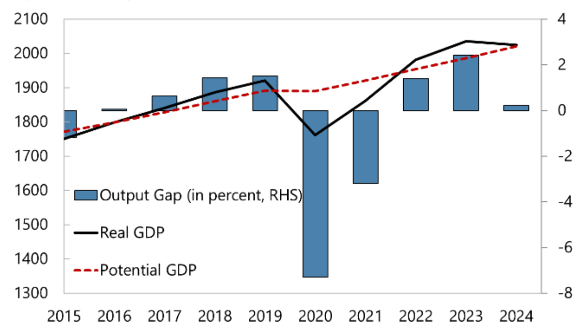
Annual Tourism Performance
(In percent, year on year)



Sources: Jamaica Tourism Board, and IMF staff calculations.

Most sectors experienced a contraction in activity in 2024.

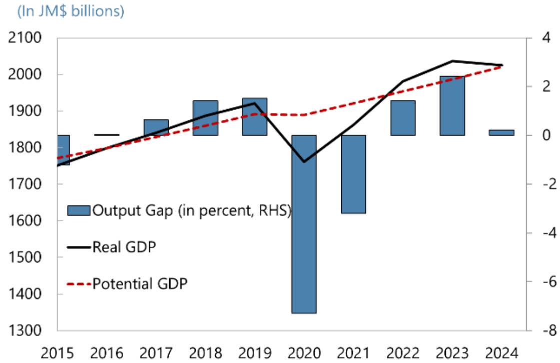
Real GDP and Output Gap
(In JM$ billions)



Sources: STATIN and IMF staff calculations.
*2024 an estimate

The output gap opened up prior to Beryl/Raphael's impact, but it is estimated to have closed in 2024…

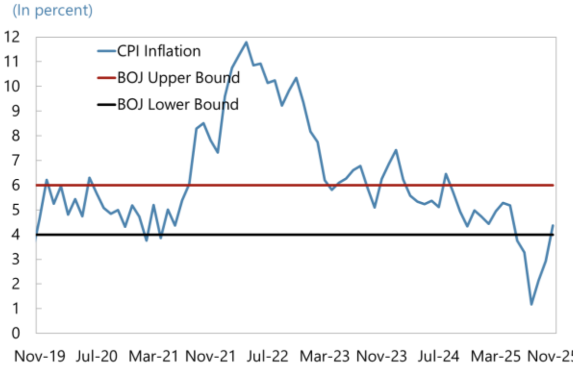
Real GDP and Output Gap
(In JM$ billions)



*2024 an estimate

…and inflation was below the target band prior to hurricane Melissa.

CPI Inflation Versus BOJ Target Band
(In percent)

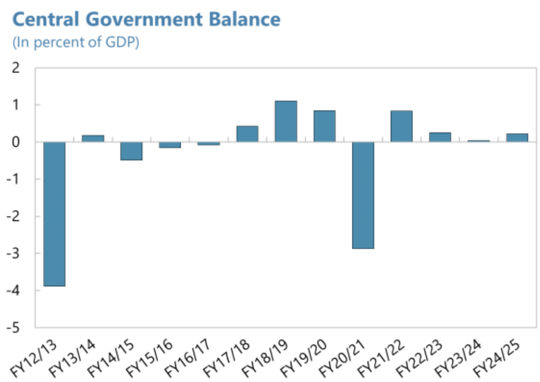


Sources: STATIN and IMF staff calculations.

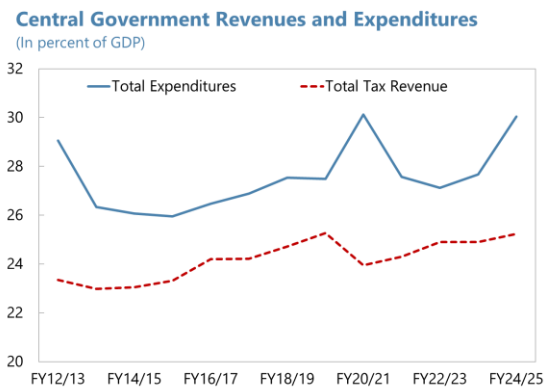
Sources: Jamaican authorities and IMF staff calculations.

Figure 2. Jamaica: Fiscal Sector Developments

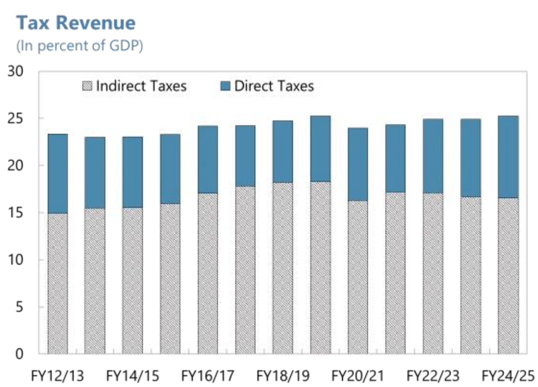
The central government's overall balance was in surplus….



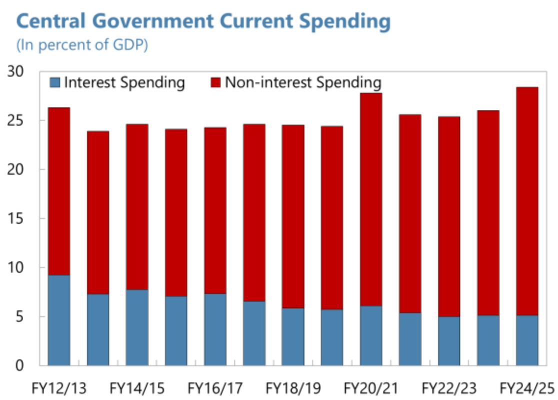
…due to elevated tax revenues.



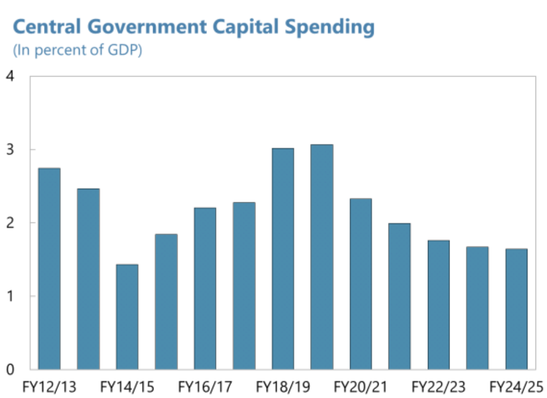
Which were due to strong direct tax collections…



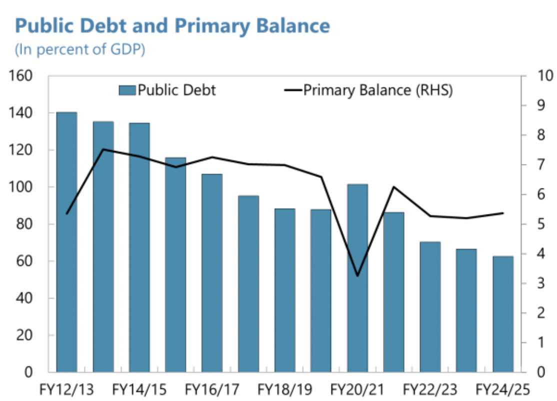
…while primary spending edged up in FY2024/25.



Capital spending continued to remain subdued.



Public debt was on track to meet the FRL debt target.

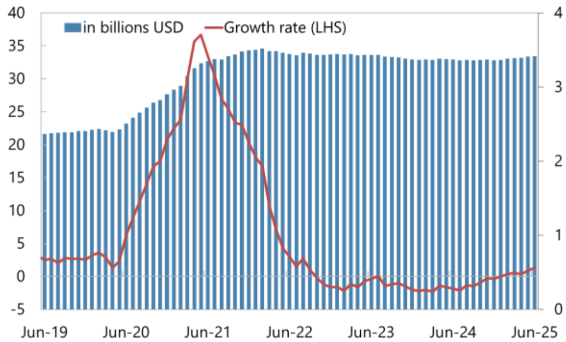


Sources: Jamaican authorities and IMF staff calculations.

Figure 3. Jamaica: External Sector Developments

Remittances receipts have stabilized and remain above pre-Covid levels.

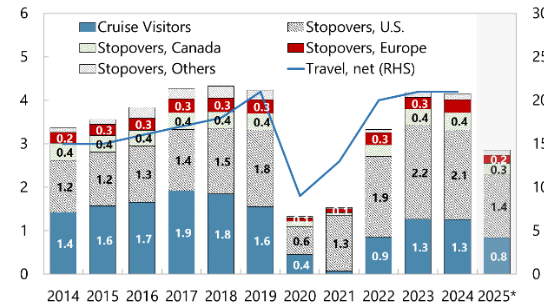
Monthly Remittances
(Percent (LHS), in billion USD (RHS), 12-month moving sum)



Sources: BOJ, IMF staff calculations.

Tourism has recovered across the board prior to hurricane Melissa.

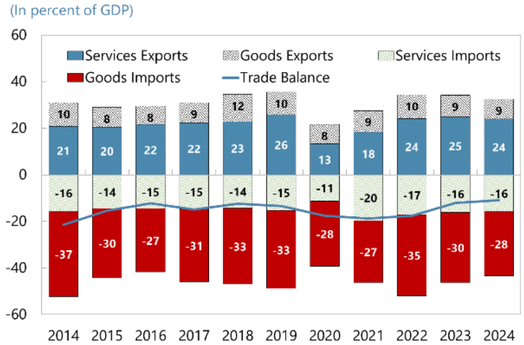
Total Visitor Arrivals and Travel Exports
(Visitors in millions and percent of GDP)



Sources: Jamaica Tourism Board, and IMF staff calculations.
*2025 January to August

The trade balance has improved due to lower imports…

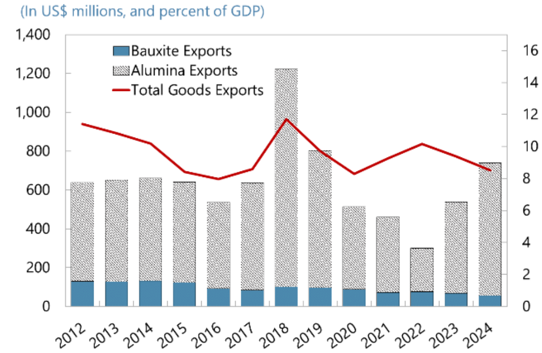
Trade and Service Balance
(In percent of GDP)



Sources: BOJ, and IMF staff calculations.

…and a pickup in mining exports.

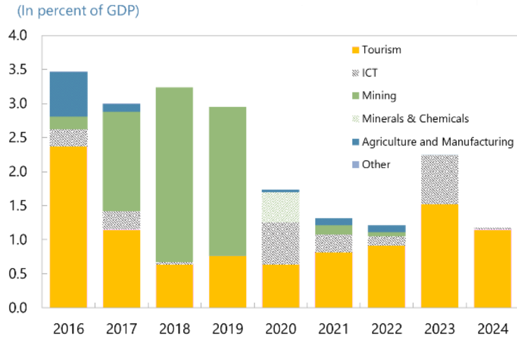
Mining Exports
(In US$ millions, and percent of GDP)



Sources: BOJ, and IMF staff calculations.

FDI in tourism was strong in 2024 but overall FDI remains below historical levels.

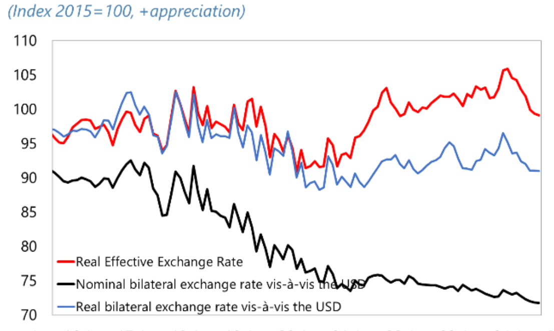
FDI by Sector
(In percent of GDP)



Sources: BOJ, and IMF staff calculations.

The real effective exchange rate has recently slightly depreciated.

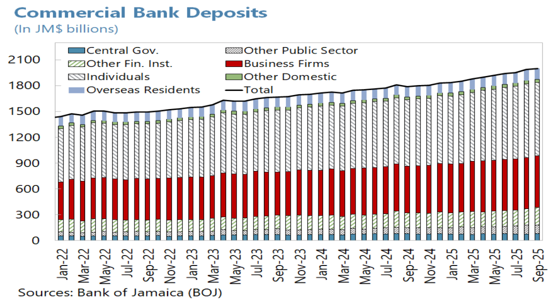
Nominal and Real Effective Exchange Rate
(Index 2015=100, +appreciation)



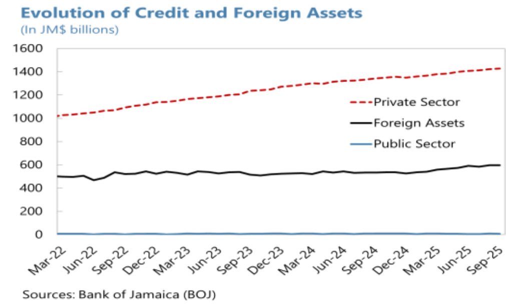
Sources: BOJ, and IMF staff calculations.

Figure 4. Jamaica: Monetary and Financial Sector Developments

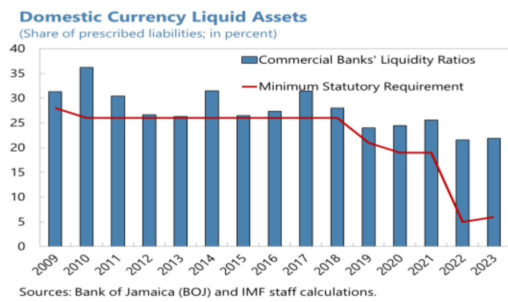
Banking system deposits have been growing steadily with individuals and businesses dominating.



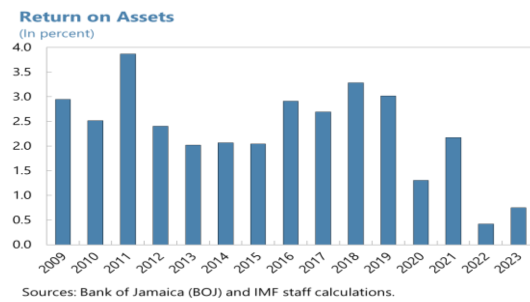
Private credit continued to expand prior to hurricane Melissa.



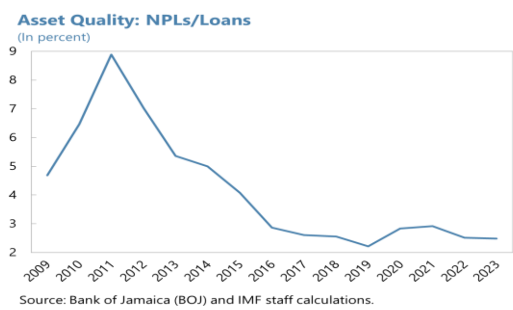
The depository institutions retain liquidity above the required minimum…



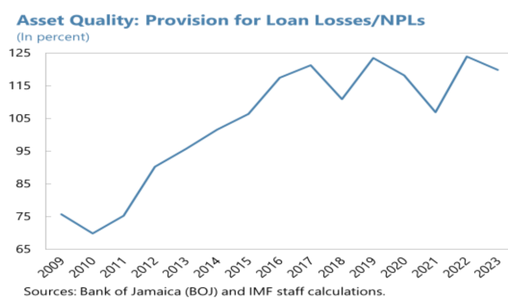
…with moderate, but steady profitability.



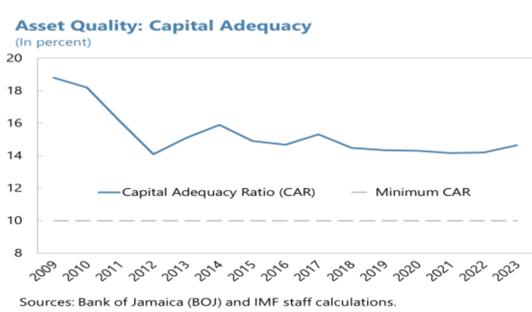
The NPL ratio is very low…



… and provisioning sufficient.



The capital buffers are kept well above the minimum…



…and sufficient to absorb potential losses.

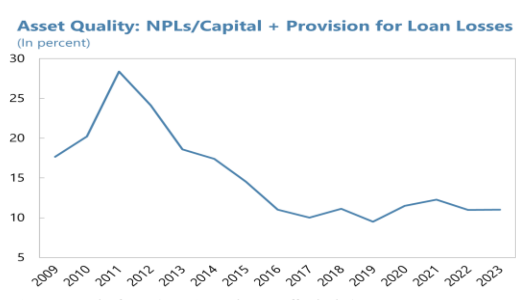


Table 1a. Jamaica: Selected Economic Indicators (Fiscal Year) 1/

Population (2024): 2.84 million | Per capita GDP (2024): US$7778
Quota (current; millions SDRs): 382.9 | Literacy rate (2022)/Poverty rate (2021): 91.7%/16.7%
Main products and exports: Alumina, tourism, chemicals, mineral fuels, bau | Unemployment rate (July 2025): 3.3%

					Projections					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
(Annual percent change, unless otherwise indicated)										
GDP and Prices										
Real GDP	9.6	5.5	1.9	-0.5	-4.3	0.8	3.0	2.0	1.5	1.5
Nominal GDP	20.1	19.2	10.4	4.8	0.6	8.3	7.9	6.8	6.3	6.3
Consumer price index (end of period)	11.3	6.2	5.6	5.0	9.5	5.0	5.0	5.0	5.0	5.0
Consumer price index (average)	7.4	9.5	6.2	5.1	4.9	8.0	5.0	5.0	5.0	5.0
Exchange rate (end of period, J$/US$)	153.8	150.9	154.7	158.4	…	…	…	…	…	…
End-of-period REER (appreciation +, end of period) (INS)	1.9	5.3	-0.5	3.8	…	…	…	…	…	…
Treasury bill rate (end-of-period, percent)	6.4	8.3	8.1	5.7	…	…	…	…	…	…
Unemployment rate (percent) 2/	6.2	4.5	4.2	3.3	…	…	…	…	…	…
(In percent of GDP)										
Government Operations										
Budgetary revenue	28.4	27.4	27.7	30.3	30.3	28.2	28.2	28.1	28.2	28.2
Of which: Tax revenue	24.3	24.9	24.9	25.2	24.7	25.6	25.7	25.6	25.6	25.6
Budgetary expenditure	27.6	27.1	27.7	30.0	33.8	33.0	32.1	31.0	31.0	30.9
Primary expenditure	22.2	22.1	22.5	24.9	28.6	28.0	27.3	26.4	26.4	26.5
Of which: Wages and salaries	8.8	10.5	11.3	12.1	13.8	13.6	13.4	13.4	13.4	13.4
Interest payments	5.4	5.0	5.2	5.1	5.2	5.0	4.8	4.6	4.5	4.4
Budget balance	0.8	0.3	0.0	0.2	-3.4	-4.8	-3.8	-2.9	-2.8	-2.8
Of which: Central government primary balance	6.2	5.3	5.2	5.4	1.7	0.2	1.0	1.7	1.7	1.7
Public entities balance	0.2	1.3	2.1	1.5	0.0	0.0	0.0	0.0	0.0	0.0
Public sector balance	1.0	1.6	2.1	1.7	-3.4	-4.8	-3.8	-2.9	-2.8	-2.8
Public debt (FRL definition) 3/	86.3	70.2	66.5	62.4	68.6	65.9	65.9	65.6	65.5	65.2
External Sector										
Current account balance	-0.6	1.8	2.8	3.1	-2.0	-5.3	-4.9	-1.5	-0.5	-0.3
Of which: Exports of goods, f.o.b.	8.8	10.6	9.2	8.4	8.6	7.0	7.1	7.8	7.9	7.9
... of services	20.8	25.1	24.9	23.8	19.8	21.7	22.1	23.7	24.1	24.2
Imports of goods, f.o.b.	28.6	33.9	29.7	27.3	31.7	35.8	35.3	33.9	33.0	32.5
... of services	20.2	16.7	16.3	15.8	16.4	16.0	15.7	15.6	15.4	15.3
Gross international reserves (US$ millions)	4,324	4,685	5,232	5,826	5,826	5,876	5,926	5,976	6,026	6,076
(Percent of GDP)										
Money and Credit										
Net foreign assets	19.9	18.5	23.1	27.3	28.6	27.1	25.9	25.0	24.3	23.6
Net domestic assets	44.4	40.7	35.4	34.3	33.5	35.3	36.8	38.1	39.3	40.6
Of which: Credit to the private sector	48.3	44.8	44.4	45.1	45.6	46.2	46.9	47.8	48.8	50.0
Credit to the central government	14.0	12.0	8.4	7.2	8.4	8.8	9.8	11.0	12.1	13.9
Broad money	64.3	59.3	58.5	61.5	62.0	62.4	62.7	63.1	63.6	64.2
Memorandum Items:										
Nominal GDP (J$ billions)	2,536	3,023	3,339	3,498	3,520	3,811	4,111	4,392	4,668	4,962
Public sector balance (adjusted definition, %GDP) 4/	1.0	1.6	2.1	-0.4	-5.1	-4.5	-3.5	-2.6	-2.5	-2.5
Public sector debt (adjusted definition, %GDP) 4/	86.3	70.2	66.5	64.6	72.6	69.4	68.9	68.0	67.6	66.9

Sources: Jamaican authorities; and Fund staff estimates and projections.

1/ Fiscal years run from April 1 to March 31.

2/ As of April in each period.

3/ Consolidated central government and public bodies' debt, consistent with the Fiscal Responsibility Law (FRL).

4/ Under the 2014 GFSM methodology, the 2024 Norman Manley International Airport and 2025 Montego Bay airport securitizations are recorded as a debt accumulation not a non-tax revenue inflow. Therefore, in the year of securitization the respective net balances are lower, and the debt balances are higher than under the FRL definition.

Table 1b. Jamaica: Selected Economic Indicators (Calendar Year) 1/

Population (2019): 2.73 million
Quota (current; millions SDRs): 382.9
Main products and exports: Alumina, tourism, chemicals, mineral fuels, bauxite

Per capita GDP (2019): US$5,782
Literacy rate (2022)/Poverty rate (2021): 91.7%/16.7%
Unemployment rate (July 2025): 3.3%

					Projections					
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
(Annual percent change, unless otherwise indicated)										
GDP and Prices										
Real GDP	5.7	6.4	2.7	-0.5	-1.7	-2.8	3.6	2.3	1.5	1.5
Nominal GDP	12.7	19.9	14.4	4.3	2.0	5.4	8.8	7.2	6.4	6.4
Consumer price index (end of period)	7.3	9.4	6.9	5.0	5.5	5.0	5.0	5.0	5.0	5.0
Consumer price index (average)	5.9	10.4	6.5	5.5	4.0	8.9	5.2	5.0	5.0	5.0
Exchange rate (end of period, J$/US$)	155.1	152.3	155.0	156.4	...	...	...	...	...	...
End-of-period REER (appreciation +, end of period) (INS)	-2.9	7.1	1.8	3.8	...	...	...	...	...	...
Treasury bill rate (end-of-period, percent)	4.3	8.2	8.5	6.2	...	...	...	...	...	...
Unemployment rate (average, percent)	8.4	6.2	4.4	4.2	...	...	...	...	...	...
(In percent of GDP)										
Government Operations 1/										
Budgetary revenue	28.4	27.4	27.7	30.3	30.3	28.2	28.2	28.1	28.2	28.2
Of which: Tax revenue	24.3	24.9	24.9	25.2	24.7	25.6	25.7	25.6	25.6	25.6
Budgetary expenditure	27.6	27.1	27.7	30.0	33.8	33.0	32.1	31.0	31.0	30.9
Primary expenditure	22.2	22.1	22.5	24.9	28.6	28.0	27.3	26.4	26.4	26.5
Of which: Wages and salaries	8.8	10.5	11.3	12.1	13.8	13.6	13.4	13.4	13.4	13.4
Interest payments	5.4	5.0	5.2	5.1	5.2	5.0	4.8	4.6	4.5	4.4
Budget balance	0.8	0.3	0.0	0.2	-3.4	-4.8	-3.8	-2.9	-2.8	-2.8
Of which: Central government primary balance	6.2	5.3	5.2	5.4	1.7	0.2	1.0	1.7	1.7	1.7
Public entities balance	0.2	1.3	2.1	1.5	0.0	0.0	0.0	0.0	0.0	0.0
Public sector balance	1.0	1.6	2.1	1.7	-3.4	-4.8	-3.8	-2.9	-2.8	-2.8
Public debt (FRL definition) 2/	86.3	70.2	66.5	62.4	68.6	65.9	65.9	65.6	65.5	65.2
External Sector										
Current account balance	0.9	-0.7	2.7	3.1	-0.2	-5.4	-4.6	-2.5	-1.2	-0.4
Of which: Exports of goods, f.o.b.	9.3	10.2	9.4	8.5	8.5	7.8	7.2	7.8	8.1	8.2
... of services	18.3	24.2	24.8	24.0	21.8	20.2	22.7	23.4	24.4	25.0
Of which: Imports of goods, f.o.b.	26.7	34.8	30.1	27.7	30.3	36.2	36.2	35.0	34.3	33.7
... of services	19.7	17.2	16.3	15.8	16.3	16.6	16.1	15.9	15.9	15.8
Gross international reserves (US$ millions)	4,833	4,520	4,869	5,633	5,826	5,864	5,914	5,964	6,014	6,064
(Changes in percent of beginning period broad money)										
Money and Credit										
Net foreign assets	9.3	2.5	9.2	10.1	4.7	1.6	1.4	1.3	1.3	1.2
Net domestic assets	4.2	6.0	2.7	-2.0	-1.2	5.5	7.2	6.4	5.9	6.0
Of which: Credit to the private sector	6.1	8.1	8.0	4.3	2.1	5.7	7.1	6.7	6.5	6.8
Of which: Credit to the central government	-1.6	-1.7	-0.3	-0.7	-2.1	1.9	2.6	3.0	2.9	3.9
Broad money	13.5	8.5	11.9	8.1	3.5	7.0	8.6	7.7	7.2	7.2
Memorandum Items:										
Nominal GDP (J$ billions)	2,407	2,886	3,302	3,444	3,513	3,702	4,027	4,317	4,591	4,883
Public sector balance (adjusted definition, %GDP) 3/	1.0	1.6	2.1	-0.4	-5.1	-4.5	-3.5	-2.6	-2.5	-2.5
Public sector debt (adjusted definition, %GDP) 3/	86.3	70.2	66.5	64.6	72.6	69.4	68.9	68.0	67.6	66.9

Sources: Jamaican authorities; and Fund staff estimates and projections.
1/ Government operations presented on a fiscal-year basis. Fiscal year runs from April 1 to March 31.
2/ Consolidated central government and public bodies' debt, consistent with the Fiscal Responsibility Law (FRL).
3/ Under the 2014 GFSM methodology, the 2024 Norman Manley International Airport and 2025 Montego Bay airport securitizations are recorded as a debt accumulation not a non-tax revenue inflow. Therefore, in the year of securitization the respective net balances are lower, and the debt balances are higher than under the FRL definition.

Table 2a. Jamaica: Summary of Central Government Operations
(In millions of Jamaican dollars)

	2021/22	2022/23	2023/24	2024/25	Projections 2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Budgetary Revenue and Grants	720,224	827,775	925,283	1,058,576	1,068,137	1,073,359	1,160,745	1,233,540	1,314,694	1,397,463
Tax	616,368	752,841	831,574	882,756	869,829	974,507	1,056,459	1,123,542	1,197,080	1,272,447
Of which:										
Income and profits	180,183	235,812	274,142	304,496	281,443	339,016	364,402	385,420	412,486	438,456
Of which: Other companies	73,311	92,445	93,151	102,700	70,780	114,343	127,449	137,897	149,380	158,785
PAYE	76,661	107,456	134,620	146,678	157,120	166,705	174,424	180,730	192,108	204,203
Production and consumption	198,231	231,896	262,104	275,094	270,760	293,140	316,200	337,763	359,028	381,632
Of which: GCT (Local)	107,799	130,571	158,819	166,324	164,893	178,522	192,566	205,698	218,648	232,414
International Trade	232,559	278,518	288,998	296,356	310,773	336,383	369,058	394,226	419,046	445,429
Of which: GCT (Imports)	101,902	117,871	122,316	126,334	135,671	147,045	162,941	172,689	180,818	187,693
Non-tax	93,736	67,327	83,781	170,224	192,801	92,767	97,040	101,516	107,367	114,126
Grants	7,659	6,341	8,133	5,596	4,812	5,334	6,435	7,623	9,337	9,925
Budgetary Expenditure	698,895	819,989	924,111	1,050,900	1,189,391	1,257,386	1,317,685	1,362,586	1,446,537	1,534,466
Primary expenditure	561,848	668,614	751,945	870,891	1,007,626	1,067,278	1,120,923	1,160,373	1,234,416	1,314,285
Compensation of employees	241,751	338,126	403,618	446,767	521,845	555,246	588,732	624,270	668,475	710,561
Wage and salaries	222,680	317,885	378,213	423,004	486,905	519,461	550,909	586,282	625,528	664,910
Employer contributions	19,071	20,242	25,405	23,763	34,940	35,785	37,824	37,988	42,947	45,651
Programme expenditure 1/	269,587	277,303	292,464	366,668	430,300	412,291	431,384	430,850	451,106	474,712
Capital expenditure	50,510	53,185	55,864	57,456	55,482	99,740	100,807	105,254	114,836	129,012
Interest	137,048	151,375	172,165	180,009	181,764	190,108	196,762	202,212	212,121	220,181
Domestic	54,712	67,987	70,906	75,349	79,593	87,417	90,476	92,738	97,282	100,979
External	82,336	83,388	101,259	104,660	102,171	102,691	106,286	109,474	114,838	119,202
Budget Balance	21,329	7,786	1,172	7,676	-121,254	-184,027	-156,940	-129,045	-131,842	-137,003
Of which: Primary budget balance	158,377	159,161	173,338	187,685	60,510	6,081	39,822	73,167	80,278	83,178
Public Entities Balance 2/	4,750	39,626	69,685	53,235	0	0	0	0	0	0
Public Sector Balance	26,079	47,413	70,858	60,911	-121,254	-184,027	-156,940	-129,045	-131,842	-137,003
Gross Financing Needs	138,462	154,836	136,399	297,667	275,381	377,380	418,632	474,025	378,282	421,848
Gross Financing Sources	138,462	154,836	136,399	297,667	275,381	377,380	418,632	474,025	378,282	421,848
Domestic	55,385	61,935	27,280	174,486	134,937	245,297	180,012	213,311	234,535	274,201
External	83,077	92,902	109,119	119,181	140,444	132,083	238,620	260,714	143,747	147,647
Memorandum Items:										
Nominal GDP (billion J$)	2,536	3,023	3,339	3,498	3,520	3,811	4,111	4,392	4,668	4,962
Public sector debt (FRL definition, billion J$) 3/	2,188	2,121	2,222	2,206	2,240	2,298	2,354	2,415	2,476	2,477
Public sector balance (adjusted definition) 4/	26,079	47,413	70,858	-14,760	-179,709	-170,687	-143,210	-114,916	-117,402	-122,245
Public sector debt (adjusted definition, billion J$) 4/	2,188	2,121	2,222	2,260	2,557	2,644	2,831	2,988	3,156	3,321

Sources: Jamaican authorities and Fund staff estimates and projections.

1/ Programme expenditure include central government purchases of goods and services and central government transfers.

2/ Comprises non-commercial self-financed public bodies defined by the FRL. Provisional estimates for FY2023/24 and FY2024/25.

3/ Consolidated central government and public bodies' debt, consistent with the Fiscal Responsibility Law.

4/ Under the 2014 GFSM methodology, the 2024 Norman Manley International Airport and 2025 Montego Bay airport securitizations are recorded as a debt accumulation not a non-tax revenue inflow. Therefore, in the year of securitization the respective net balances are lower, and the debt balances are higher than under the FRL definition.

Table 2b. Jamaica: Summary of Central Government Operations
(In percent of GDP)

	2021/22	2022/23	2023/24	2024/25	Projections 2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Budgetary Revenue and Grants	28.4	27.4	27.7	30.3	30.3	28.2	28.2	28.1	28.2	28.2
Tax	24.3	24.9	24.9	25.2	24.7	25.6	25.7	25.6	25.6	25.6
Of which:										
Income and profits	7.1	7.8	8.2	8.7	8.0	8.9	8.9	8.8	8.8	8.8
Of which: Other companies	2.9	3.1	2.8	2.9	2.0	3.0	3.1	3.1	3.2	3.2
PAYE	3.0	3.6	4.0	4.2	4.5	4.4	4.2	4.1	4.1	4.1
Production and consumption	7.8	7.7	7.8	7.9	7.7	7.7	7.7	7.7	7.7	7.7
Of which: GCT (Local)	4.3	4.3	4.8	4.8	4.7	4.7	4.7	4.7	4.7	4.7
International Trade	9.2	9.2	8.7	8.5	8.8	8.8	9.0	9.0	9.0	9.0
Of which: GCT (Imports)	4.0	3.9	3.7	3.6	3.9	3.9	4.0	3.9	3.9	3.8
Non-tax	3.7	2.2	2.5	4.9	5.5	2.4	2.4	2.3	2.3	2.3
Grants	0.3	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2
Budgetary Expenditure	27.6	27.1	27.7	30.0	33.8	33.0	32.1	31.0	31.0	30.9
Primary expenditure	22.2	22.1	22.5	24.9	28.6	28.0	27.3	26.4	26.4	26.5
Compensation of employees	9.5	11.2	12.1	12.8	14.8	14.6	14.3	14.2	14.3	14.3
Wage and salaries	8.8	10.5	11.3	12.1	13.8	13.6	13.4	13.4	13.4	13.4
Employer contribution	0.8	0.7	0.8	0.7	1.0	0.9	0.9	0.9	0.9	0.9
Programme expenditure 1/	10.6	9.2	8.8	10.5	12.2	10.8	10.5	9.8	9.7	9.6
Capital expenditure	2.0	1.8	1.7	1.6	1.6	2.6	2.5	2.4	2.5	2.6
Interest	5.4	5.0	5.2	5.1	5.2	5.0	4.8	4.6	4.5	4.4
Domestic	2.2	2.2	2.1	2.2	2.3	2.3	2.2	2.1	2.1	2.0
External	3.2	2.8	3.0	3.0	2.9	2.7	2.6	2.5	2.5	2.4
Budget Balance	0.8	0.3	0.0	0.2	-3.4	-4.8	-3.8	-2.9	-2.8	-2.8
Of which: Primary budget balance	6.2	5.3	5.2	5.4	1.7	0.2	1.0	1.7	1.7	1.7
Public Entities Balance 2/	0.2	1.3	2.1	1.5	0.0	0.0	0.0	0.0	0.0	0.0
Public Sector Balance	1.0	1.6	2.1	1.7	-3.4	-4.8	-3.8	-2.9	-2.8	-2.8
Gross Financing Needs	5.5	5.1	4.1	8.5	7.8	9.9	10.2	10.8	8.1	8.5
Gross Financing Sources	5.5	5.1	4.1	8.5	7.8	9.9	10.2	10.8	8.1	8.5
Domestic	2.2	2.0	0.8	5.0	3.8	6.4	4.4	4.9	5.0	5.5
External	3.3	3.1	3.3	3.4	4.0	3.5	5.8	5.9	3.1	3.0
Memorandum Items:										
Nominal GDP (billion J$)	2,536	3,023	3,339	3,498	3,520	3,811	4,111	4,392	4,668	4,962
Public sector debt (FRL definition, billion J$) 3/	2,188	2,121	2,222	2,184	2,415	2,513	2,710	2,879	3,059	3,236
Public sector debt (FRL definition, %GDP) 3/	86.3	70.2	66.5	62.4	68.6	65.9	65.9	65.6	65.5	65.2
Public sector balance (adjusted definition, %GDP) 4/	1.0	1.6	2.1	-0.4	-5.1	-4.5	-3.5	-2.6	-2.5	-2.5
Public sector debt (adjusted definition, billion J$) 4/	2,188	2,121	2,222	2,260	2,557	2,644	2,831	2,988	3,156	3,321
Public sector debt (adjusted definition, %GDP) 4/	86.3	70.2	66.5	64.6	72.6	69.4	68.9	68.0	67.6	66.9

Sources: Jamaican authorities and Fund staff estimates and projections.

1/ Programme expenditure include central government purchases of goods and services and central government transfers.

2/ Comprises non-commercial self-financed public bodies defined by the FRL. Provisional estimates for FY2023/24 and FY2024/25.

3/ Consolidated central government and public bodies' debt, consistent with the Fiscal Responsibility Law.

4/ Under the 2014 GFSM methodology, the 2024 Norman Manley International Airport and 2025 Montego Bay airport securitizations are recorded as a debt accumulation not a non-tax revenue inflow. Therefore, in the year of securitization the respective net balances are lower, and the debt balances are higher than under the FRL definition.

Table 3. Jamaica: Summary of Balance of Payments
(In millions of U.S. dollars)

	2021/22	2022/23	2023/24	2024/25	Projections 2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Current Account	-101	345	610	684	-432	-1,203	-1,182	-380	-120	-82
Trade balance	-3,267	-4,578	-4,396	-4,204	-4,998	-6,587	-6,698	-6,485	-6,473	-6,615
Exports (f.o.b.)	1,456	2,086	1,969	1,860	1,873	1,604	1,697	1,946	2,054	2,131
Imports (f.o.b.)	4,723	6,665	6,365	6,064	6,870	8,191	8,444	8,431	8,527	8,745
o/w Fuel (cif)	1,724	2,346	2,038	2,009	2,306	2,374	2,448	2,503	2,551	2,560
Services (net)	97	1,635	1,848	1,439	1,042	843	1,547	2,015	2,251	2,390
o/w Travel (net)	2,368	3,714	4,060	4,056	3,014	3,608	3,891	4,409	4,644	4,896
Primary income (net)	-486	-254	-286	-341	-300	-319	-150	-121	0	-87
Secondary income (net)	3,556	3,542	3,444	3,454	3,823	4,859	4,484	4,289	4,282	4,229
Government (net)	182	178	177	169	154	119	108	101	95	88
Private (net)	3,374	3,364	3,267	3,285	3,575	3,955	4,376	4,188	4,187	4,141
Capital Account (net)	-31	-30	-19	-18	-22	-22	-21	-22	-21	-21
Financial Account (net)	-609	140	991	1,058	-454	-1,225	-879	-402	-141	-103
Direct investment (net)	-287	-338	-479	-298	-378	-434	-456	-479	-503	-528
Portfolio investment (net)	-87	705	760	389	-201	-82	-383	-426	-414	-399
Financial derivatives (net)	0	-1	0	0	0	0	0	0	0	0
Other investment (net)	-315	-588	164	372	125	-709	-91	452	725	774
Reserve assets (change)	80	361	547	594	0	50	50	50	50	50
Net Errors and Omissions	-476	-180	571	460	0	0	0	0	0	0
Overall Balance (deficit-)	80	356	718	644	-1,077	-400	-175	50	50	50
Financing	-80	-356	-718	-644	1,077	400	-175	-50	-50	-50
RFI	…	…	…	…	415	…	…	…	…	…
IFIs	…	…	…	…	662	400	…	…	…	…
Other official support / reserves drawdown	-80	-356	-718	-644	0	0	-175	-50	-50	-50
					(In percent GDP)					
Current Account	-0.6	1.8	2.8	3.1	-2.0	-5.3	-4.9	-1.5	-0.5	-0.3
Trade balance	-19.8	-23.3	-20.5	-18.9	-23.1	-28.8	-28.0	-26.1	-25.0	-24.6
Exports (f.o.b.)	8.8	10.6	9.2	8.4	8.6	7.0	7.1	7.8	7.9	7.9
Imports (f.o.b.)	28.6	33.9	29.7	27.3	31.7	35.8	35.3	33.9	33.0	32.5
Services (net)	0.6	8.3	8.6	6.5	4.8	3.7	6.5	8.1	8.7	8.9
o/w Travel (net)	14.3	18.9	18.9	18.3	13.9	15.8	16.2	17.7	18.0	18.2
Primary income (net)	-2.9	-1.3	-1.3	-1.5	-1.4	-1.4	-0.6	-0.5	0.0	-0.3
Secondary income (net)	21.5	18.0	16.0	15.6	17.6	21.3	18.7	17.3	16.6	15.7
o/w Private (net)	20.4	17.1	15.2	14.8	16.5	17.3	18.3	16.8	16.2	15.4
Capital Account (net)	-0.2	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Financial Account (net)	-3.7	0.7	4.6	4.8	-2.1	-5.4	-3.7	-1.6	-0.5	-0.4
o/w Direct investment (net)	-1.7	-1.7	-2.2	-1.3	-1.7	-1.9	-1.9	-1.9	-1.9	-2.0
Memorandum Items:										
Gross international reserves	4,324	4,685	5,232	5,826	5,826	5,876	5,926	5,976	6,026	6,076
(in months of next year's imports of GNFS)	6.4	5.6	6.4	7.3	6.7	6.0	5.8	5.8	5.8	5.7
Net international reserves (NIR)	3,676	4,152	5,137	5,785	5,794	6,063	5,920	5,970	6,020	6,070
Exports of goods (percent change)	15.7	43.3	-5.6	-5.5	0.7	-14.4	5.8	14.7	5.5	3.8
Imports of goods (percent change)	18.2	41.1	-4.5	-4.7	13.3	19.2	3.1	-0.2	1.1	2.6
Oil prices (composite, fiscal year basis)	76.0	92.4	80.2	76.4	66.5	62.1	62.4	63.5	64.6	0.0
Terms of trade (fiscal year basis)	98	93	97	100	105	107	107	106	106	106
GDP (US$ millions)	16,521	19,658	21,458	22,189	21,681	22,857	23,954	24,865	25,862	26,898
Jamaican dollar/USD, period average	153	154	156	158	…	…	…	…	…	…

Sources: Jamaican authorities; and Fund staff

Table 4. Jamaica: Summary Monetary Survey 1/

	2021/22	2022/23	2023/24	2024/25	Projections 2025/26	2026/27	2027/28	2028/29	2029/30
	(In billions of Jamaican dollars)								
Net Foreign Assets	505.7	560.0	772.0	954.3	1,005.3	1,034.1	1,066.5	1,099.8	1,134.3
Net Domestic Assets	1,125.4	1,231.4	1,182.0	1,198.7	1,178.7	1,343.6	1,512.5	1,673.0	1,835.3
Net domestic claims	1,658.0	1,802.0	1,854.4	1,922.3	1,993.1	2,196.6	2,439.7	2,696.1	2,963.3
Net claims on central government	353.7	363.4	279.0	252.7	295.5	336.8	404.2	483.7	563.7
Claims on rest of public sector	6.4	10.0	9.5	8.6	8.6	8.6	8.6	8.6	8.6
Claims on private sector	1,228.4	1,357.7	1,485.0	1,582.5	1,610.1	1,765.7	1,934.6	2,105.2	2,286.2
Of which: Credit to private sector	1,225.6	1,354.1	1,481.0	1,577.5	1,605.0	1,760.1	1,928.5	2,098.5	2,278.9
Claims on other financial corporations	69.5	70.9	80.9	78.5	79.0	85.5	92.2	98.5	104.7
Capital account	367.1	380.1	406.9	456.4	456.4	456.4	456.4	456.4	456.4
Other	-165.5	-190.5	-265.5	-267.2	-358.0	-396.6	-470.8	-566.6	-671.6
Broad Money (M3)	1,631.2	1,791.4	1,954.0	2,152.9	2,184.0	2,377.6	2,578.9	2,772.8	2,969.6
Narrow money (M2)	1,348.8	1,479.6	1,590.5	1,739.1	1,764.2	1,920.6	2,083.2	2,239.8	2,398.7
Other liabilities	282.4	311.8	363.5	413.9	419.8	457.1	495.8	533.0	570.9
	(Percent change)								
Net Foreign Assets	25.7	10.7	37.9	23.6	5.3	2.9	3.1	3.1	3.1
Net Domestic Assets	7.9	9.4	-4.0	1.4	-1.7	14.0	12.6	10.6	9.7
Net domestic claims	6.2	8.7	2.9	3.7	3.7	10.2	11.1	10.5	9.9
Of which: Credit to private sector	9.1	10.5	9.4	6.5	1.7	9.7	9.6	8.8	8.6
Claims on other financial corporations	52.4	2.0	14.1	-3.0	0.6	8.3	7.9	6.8	6.3
Capital account	-6.7	3.5	7.1	12.2	0.0	0.0	0.0	0.0	0.0
Other	32.5	15.1	39.4	0.6	34.0	10.8	18.7	20.4	18.5
Broad Money (M3)	12.9	9.8	9.1	10.2	1.4	8.9	8.5	7.5	7.1
Narrow money (M2)	15.5	9.7	7.5	9.3	1.4	8.9	8.5	7.5	7.1
Other liabilities	1.9	10.4	16.6	13.9	1.4	8.9	8.5	7.5	7.1
	(Percent of GDP)								
Net Foreign Assets	19.9	18.5	23.1	27.3	28.6	27.1	25.9	25.0	24.3
Net Domestic Assets	44.4	40.7	35.4	34.3	33.5	35.3	36.8	38.1	39.3
Net domestic claims	65.4	59.6	55.5	55.0	56.6	57.6	59.3	61.4	63.5
Of which: Credit to private sector	48.3	44.8	44.4	45.1	45.6	46.2	46.9	47.8	48.8
Claims on other financial corporations	2.7	2.3	2.4	2.2	2.2	2.2	2.2	2.2	2.2
Capital account	14.5	12.6	12.2	13.0	13.0	12.0	11.1	10.4	9.8
Other	-6.5	-6.3	-8.0	-7.6	-10.2	-10.4	-11.5	-12.9	-14.4
Broad Money (M3)	64.3	59.3	58.5	61.5	62.0	62.4	62.7	63.1	63.6
Narrow money (M2)	53.2	48.9	47.6	49.7	50.1	50.4	50.7	51.0	51.4
Other liabilities	11.1	10.3	10.9	11.8	11.9	12.0	12.1	12.1	12.2

Sources: Bank of Jamaica, International Financial Statistics and Fund staff estimates and projections.
1/ Fiscal year runs from April 1 to March 31.

Table 5. Jamaica: Financial Soundness Indicators 1/

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Balance Sheet Growth (y/y)															
Capital	5.1	5.3	4.0	18.3	7.4	9.0	12.6	8.1	11.4	8.1	14.1	5.9	7.8	9.2	3.5
Loans	-1.4	4.8	12.9	14.1	6.6	9.3	18.3	7.2	14.8	17.2	10.9	9.6	12.9	11.2	5.7
NPLs	36.1	44.0	-10.8	-12.9	0.2	-11.6	-16.9	-2.6	10.1	4.1	41.9	12.6	-2.8	10.0	5.1
Liquidity															
Domestic currency liquid assets 2/	36.2	30.5	26.7	26.3	31.5	26.5	27.4	31.5	28.0	24.0	24.5	25.6	21.6	21.9	21.6
Asset Quality															
Prov. for loan losses/NPLs	69.9	75.2	90.3	95.7	101.6	106.4	117.5	121.3	111.0	123.5	118.2	106.9	123.9	119.8	111.0
NPLs/loans	6.5	8.9	7.0	5.4	5.0	4.1	2.9	2.6	2.6	2.2	2.8	2.9	2.5	2.5	2.5
Capital Adequacy															
NPLs/Capital+Prov. for loan losses	20.2	28.4	24.1	18.6	17.4	14.5	11.0	10.0	11.1	9.5	11.5	12.3	11.0	11.0	12.3
Capital Adequacy Ratio (CAR)	18.2	16.1	14.1	15.1	15.9	14.9	14.7	15.3	14.5	14.3	14.3	14.2	14.2	14.6	14.5
Profitability (calendar year) 3/															
Pre-tax profit margin	21.1	30.8	21.4	19.0	18.9	19.8	26.8	24.9	27.2	25.4	13.3	21.5	16.2	24.3	11.8
Return on average assets	2.5	3.9	2.4	2.0	2.1	2.0	2.9	2.7	3.3	3.0	1.3	2.2	0.4	0.8	0.3

Source: Bank of Jamaica.

1/ Commercial banks, building societies, and merchant banks.

2/ Percent of prescribed liabilities.

3/ The significant increase in profitability for 2011 is due to an up-stream dividend from one insurance subsidiary to its parent bank. Without such dividend pre-tax profit margin and return on average assets would be 18.1 and 2.3 percent, respectively.

Table 6. Jamaica: Indicators of Fund Credit 2025–44 1/

(In millions of SDRs, unless otherwise indicated)

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Fund Obligations Based on Existing Credit																				
(millions of SDRs)																				
Principal	28.3	9.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	28.7	57.4	57.4	57.4	57.4	57.4	57.4	57.4	57.4	57.4	28.7
Charges and interest 1/	40.5	34.3	34.0	34.0	34.0	34.0	34.0	34.0	34.0	33.6	32.1	30.0	27.8	25.8	23.7	21.6	19.4	17.3	15.2	13.5
Fund Obligations Based on Existing and Prospective																				
Credit (millions of SDRs)	164.6	53.3	44.1	44.2	157.9	191.4	72.5	34.0	34.0	62.4	89.5	87.4	85.3	83.2	81.1	79.0	76.9	74.8	72.7	42.2
Principal	124.0	9.4	0.0	0.0	114.9	153.2	38.3	0.0	0.0	28.7	57.4	57.4	57.4	57.4	57.4	57.4	57.4	57.4	57.4	28.7
GRA	124.0	9.4	0.0	0.0	114.9	153.2	38.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RSF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	28.7	57.4	57.4	57.4	57.4	57.4	57.4	57.4	57.4	57.4	28.7
Charges and interest 2/	40.5	43.8	44.1	44.2	43.0	38.2	34.3	34.0	34.0	33.6	32.1	30.0	27.8	25.8	23.7	21.6	19.4	17.3	15.2	13.5
Total Obligations Based on Existing and Prospective																				
Credit																				
Millions of SDRs	164.6	53.3	44.1	44.2	157.9	191.4	72.5	34.0	34.0	62.4	89.5	87.4	85.3	83.2	81.1	79.0	76.9	74.8	72.7	42.2
Percent of exports of goods and services	3.4	1.2	0.9	0.8	2.7	3.1	1.1	0.5	0.5	0.9	1.2	1.1	1.1	1.0	0.9	0.9	0.8	0.8	0.7	0.4
Percent of gross international reserves	3.9	1.2	1.0	1.0	3.6	4.3	1.6	0.8	0.7	1.4	1.9	1.9	1.8	1.8	1.7	1.6	1.6	1.5	1.5	0.9
Percent of government revenue	3.4	1.1	0.9	0.9	3.0	3.5	1.2	0.6	0.5	1.0	1.3	1.2	1.2	1.1	1.0	0.9	0.9	0.8	0.8	0.4
Percent of public external debt service	17.2	5.0	4.2	4.2	17.0	17.2	9.9	4.3	3.6	5.7	7.9	7.4	6.9	6.5	6.1	5.7	5.3	4.9	4.6	2.6
Percent of GDP	1.0	0.3	0.3	0.2	0.8	1.0	0.4	0.2	0.2	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.1
Percent of quota	43.0	13.9	11.5	11.5	41.2	50.0	18.9	8.9	8.9	16.3	23.4	22.8	22.3	21.7	21.2	20.6	20.1	19.5	19.0	11.0
Principal	32.4	2.5	0.0	0.0	30.0	40.0	10.0	0.0	0.0	7.5	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	7.5
GRA	32.4	2.5	0.0	0.0	30.0	40.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RSF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.5	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	7.5
Outstanding IMF Credit Based on Existing and Prospective																				
Drawings																				
Millions of SDRs	583.8	880.7	880.7	880.7	765.8	612.6	574.4	574.4	574.4	545.6	488.2	430.8	373.3	315.9	258.5	201.0	143.6	86.2	28.7	0.0
GRA	9.4	306.3	306.3	306.3	191.5	38.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RSF	574.4	574.4	574.4	574.4	574.4	574.4	574.4	574.4	574.4	545.6	488.2	430.8	373.3	315.9	258.5	201.0	143.6	86.2	28.7	0.0
Percent of exports of goods and services	12.1	19.7	17.4	16.0	12.9	9.8	8.9	8.6	8.3	7.6	6.6	5.6	4.7	3.8	3.0	2.3	1.6	0.9	0.3	0.0
Percent of gross international reserves	13.7	20.5	20.3	20.1	17.4	13.8	12.8	12.7	12.6	11.9	10.5	9.2	7.9	6.7	5.4	4.2	3.0	1.8	0.6	0.0
Percent of government revenue	12.1	18.7	17.8	17.2	14.4	11.1	9.8	9.5	9.2	8.4	7.2	6.1	5.1	4.1	3.2	2.4	1.6	0.9	0.3	0.0
Percent of total public external debt	8.8	13.8	13.1	12.6	10.8	9.2	8.4	8.2	8.1	8.0	6.9	5.9	4.9	4.0	3.1	2.3	1.6	0.9	0.3	0.0
Percent of GDP	3.7	5.3	5.0	4.8	4.0	3.1	2.8	2.7	2.6	2.4	2.0	1.7	1.4	1.2	0.9	0.7	0.5	0.3	0.1	0.0
Percent of quota	152.5	230.0	230.0	230.0	200.0	160.0	150.0	150.0	150.0	142.5	127.5	112.5	97.5	82.5	67.5	52.5	37.5	22.5	7.5	0.0
GRA	2.5	80.0	80.0	80.0	50.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RSF	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	142.5	127.5	112.5	97.5	82.5	67.5	52.5	37.5	22.5	7.5	0.0
Net Use of IMF Credit (millions of SDRs)	-124.0	296.9	0.0	0.0	-114.9	-153.2	-38.3	0.0	0.0	-28.7	-57.4	-57.4	-57.4	-57.4	-57.4	-57.4	-57.4	-57.4	-57.4	-28.7
Disbursements	0.0	306.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayments and repurchases	124.0	9.4	0.0	0.0	114.9	153.2	38.3	0.0	0.0	28.7	57.4	57.4	57.4	57.4	57.4	57.4	57.4	57.4	57.4	28.7
Memorandum Items:																				
Exports of goods and services (millions of U.S. dollars)	6,615	6,093	6,927	7,533	8,127	8,567	8,867	9,177	9,498	9,831	10,175	10,531	10,899	11,281	11,676	12,084	12,507	12,945	13,398	13,867
Gross international reserves (millions of U.S. dollars)	5,826	5,876	5,926	5,976	6,026	6,076	6,126	6,176	6,226	6,276	6,326	6,376	6,426	6,476	6,526	6,576	6,626	6,676	6,726	6,776
Government revenue (million of U.S. dollars)	6,578	6,437	6,763	6,984	7,283	7,575	8,010	8,243	8,574	8,917	9,285	9,657	10,071	10,502	10,952	11,420	11,909	12,419	12,951	13,505
Total external debt, public (million of U.S. dollars)	9,035	8,748	9,166	9,529	9,661	9,097	9,341	9,597	9,667	9,265	9,637	10,023	10,452	10,899	11,366	11,852	12,360	12,889	13,441	14,016
External debt service, public (million of U.S. dollars)	1,311	1,449	1,423	1,451	1,268	1,523	997	1,079	1,304	1,492	1,552	1,614	1,683	1,755	1,831	1,909	1,991	2,076	2,165	2,257
Nominal GDP (millions of U.S. dollars)	21,681	22,857	23,954	24,865	25,862	26,898	27,976	29,097	30,263	31,476	32,738	34,050	35,507	37,027	38,612	40,265	41,989	43,786	45,661	47,616
Quota (millions of SDRs)	382.9	382.9	382.9	382.9	382.9	382.9	382.9	382.9	382.9	382.9	382.9	382.9	382.9	382.9	382.9	382.9	382.9	382.9	382.9	382.9
USD/SDR exchange rate	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37

Source: IMF staff calculations.

1/ Based on the GRA rate of charge of 3.312 percent as of December 11, 2025.

2/ Jamaica belongs to the RST interest Group C. Interest based on the RST rate of interest of 3.662 percent as of December 11, 2025.

Table 7. Jamaica: Decomposition of Public Debt and Debt Service by Creditor, FY2024/25–FY2026/27 1

	Debt Stock (end of period)			Debt Service					
	2024			2024	2025	2026	2024	2025	2026
	(In US$ millions)	*(Percent total debt)*	*(Percent GDP)*	*(In US$ millions)*			*(Percent GDP)*		
Total	**13790.5**	100.0	62.4	3060.3	2000.5	2232.9	13.9	9.5	10.1
External	**8824.9**	64.0	40.0	1504.3	1263.8	1404.3	6.8	6.0	6.3
Multilateral creditors[2]	3370.3	24.4	15.3	810.5	602.5	547.3	3.7	2.9	2.5
IMF	866.1	6.3	3.9						
World Bank	957.3	6.9	4.3						
ADB/AfDB/IADB	1409.2	10.2	6.4						
Other Multilaterals	137.7	1.0	0.6						
o/w: list largest two creditors									
list of additional large creditors									
Bilateral Creditors	621.3	4.5	2.8	152.6	102.1	76.8	0.7	0.5	0.3
Paris Club	7.9	0.1	0.0						
o/w: list largest two creditors									
list of additional large creditors									
Non-Paris Club	612.4	4.4	2.8						
o/w: list largest two creditors									
list of additional large creditors									
Bonds	4753.7	34.5	21.5	541.2	559.3	780.2	2.5	2.7	3.5
Commercial creditors									
o/w: list largest two creditors									
list of additional large creditors									
Other international creditors									
o/w: list largest two creditors									
list of additional large creditors									
Domestic	**4965.5**	36.0	22.5	1556.0	736.7	828.6	7.0	3.5	3.7
Held by residents, total									
Held by non-residents, total									
T-Bills	66.6	0.5	0.3						
Bonds	5208.4	37.8	23.6						
Loans									
Memo items:									
Collateralized debt[3]									
o/w: Related									
o/w: Unrelated									
Contingent liabilities[4]	271.3								
o/w: Public guarantees									
o/w: Other explicit contingent liabilities[5]									
Nominal GDP	22089								

1/As reported by Country authorities according to their classification of creditors, including by official and commercial. Debt coverage is the same as the DSA.

2/"Multilateral creditors" are simply institutions with more than one official shareholder and may not necessarily align with creditor classification under other IMF policies (e.g. Lending Into Arrears).

3/Debt is collateralized when the creditor has rights over an asset or revenue stream that would allow it, if the borrower defaults on its payment obligations, to rely on the asset or revenue stream to secure repayment of the debt. Collateralization entails a borrower granting liens over specific existing assets or future receivables to a lender as security against repayment of the loan. Collateral is "unrelated" when it has no relationship to a project financed by the loan. An example would be borrowing to finance the budget deficit, collateralized by oil revenue receipts. See the joint IMF-World Bank note for the G20 "Collateralized Transactions: Key Considerations for Public Lenders and Borrowers" for a discussion of issues raised by collateral.

4/ Contingent liabilities correspond to government guaranteed loans and public bodies' non guaranteed loans as at end-December 2024.

5/Includes other-one off guarantees not included in publicly guaranteed debt (e.g. credit lines) and other explicit contingent liabilities not elsewhere classified (e.g. potential legal claims, payments resulting from PPP arrangements).

Annex I. Debt Sustainability Analysis

Table 1. Jamaica: Risk of Sovereign Stress

Horizon	Mechanical Signal	Final Assessment	Comments
Overall	...	**Moderate**	Jamaica's overall risk of sovereign stress is moderate, reflecting a moderate level of vulnerability in the medium and long term.
Near term 1/			
Medium term	**Low**	**Moderate**	Medium-term risks are assessed as moderate. The fan chart indicates moderate risk, reflecting volatility in key macroeconomic indicators. The GFN tool points to low risk, given contained financing needs and reduced rollover exposure. The authorities have proactively mitigated these risks through prudent debt management policies and debt buybacks.
Fanchart	**Moderate**	...	
GFN	**Low**	...	
Stress test		...	
Long term	...	**Moderate**	Long-term risks are moderate. The large amortization module shows gradual declines in GFN and debt relative to GDP under both the baseline and customized scenarios. Climate-related expenditures are manageable. They would not significantly impact debt sustainability in the long run, even under the customized scenario. Health care expenditures are unlikely to pose significant concerns. Pension expenditures, however, would lead to larger GFNs and a higher debt level over the long run, highlighting the need for parametric reforms to the public pension system.
Sustainability assessment 2/		Sustainable	
Debt stabilization in the baseline			Yes

DSA Summary Assessment

Commentary: Jamaica faces a moderate overall risk of sovereign stress. After the COVID-19 shock, public debt quickly resumed its downward trajectory. Following Hurricane Melissa, under current policies, public debt is projected to rise in the near term to accommodate reconstruction spending, before declining modestly over the medium term.

Source: Fund staff.

Note: The risk of sovereign stress is a broader concept than debt sustainability. Unsustainable debt can only be resolved through exceptional measures (such as debt restructuring). In contrast, a sovereign can face stress without its debt necessarily being unsustainable, and there can be various measures—that do not involve a debt restructuring—to remedy such a situation, such as fiscal adjustment and new financing.

1/ The near-term assessment is not applicable in cases where there is a disbursing IMF arrangement. In surveillance-only cases or in cases with precautionary IMF arrangements, the near-term assessment is performed but not published.

2/ A debt sustainability assessment is optional for surveillance-only cases and mandatory in cases where there is a Fund arrangement. The mechanical signal of the debt sustainability assessment is deleted before publication. In surveillance-only cases or cases with IMF arrangements with normal access, the qualifier indicating probability of sustainable debt ("with high probability" or "but not with high probability") is deleted before publication.

Figure 1. Jamaica: Debt Coverage and Disclosures

						Comments
1. Debt coverage in the DSA: 1/	CG	GG	NFPS	CPS	Other	
1a. If central government, are non-central government entities insignificant?					Yes	
2. Subsectors included in the chosen coverage in (1) above:						

Coverage		Subsectors captured in the baseline	Inclusion	Comments
CPS / NFPS / GG: expected / CG	1	Budgetary central government	Yes	
CPS / NFPS / GG: expected / CG	2	Extra budgetary funds (EBFs)	No	Not applicable
CPS / NFPS / GG: expected / CG	3	Social security funds (SSFs)	No	
CPS / NFPS / GG: expected	4	State governments	No	
CPS / NFPS / GG: expected	5	Local governments	No	
CPS / NFPS	6	Public nonfinancial corporations	Yes	
CPS	7	Central bank	No	
CPS	8	Other public financial corporations	No	

3. Instrument coverage:

Currency & deposits	Loans	Debt securities	Oth acct. payable 2/	IPSGSs 3/

4. Accounting principles:

Basis of recording		Valuation of debt stock		
Non-cash basis 4/	Cash basis	Nominal value 5/	Face value 6/	Market value 7/

5. Debt consolidation across sectors:

Consolidated	Non-consolidated

e Missing from recommended coverage Not applicable

Reporting on Intra-Government Debt Holdings

Issuer \ Holder			Budget. central govt	Extra-budget. funds (EBFs)	Social security funds (SSFs)	State govt.	Local govt.	Nonfin. pub. corp.	Central bank	Oth. pub. fin corp	Total
CPS / NFPS / GG: expected / CG	1	Budget. central govt									0
CPS / NFPS / GG: expected / CG	2	Extra-budget. funds									0
CPS / NFPS / GG: expected / CG	3	Social security funds									0
CPS / NFPS / GG: expected	4	State govt.									0
CPS / NFPS / GG: expected	5	Local govt.									0
CPS / NFPS	6	Nonfin pub. corp.									0
CPS	7	Central bank									0
CPS	8	Oth. pub. fin. corp									0
		Total	0	0	0	0	0	0	0	0	0

1/ CG=Central government; GG=General government; NFPS=Nonfinancial public sector; PS=Public sector.

2/ Stock of arrears could be used as a proxy in the absence of accrual data on other accounts payable.

3/ Insurance, Pension, and Standardized Guarantee Schemes, typically including government employee pension liabilities.

4/ Includes accrual recording, commitment basis, due for payment, etc.

5/ Nominal value at any moment in time is the amount the debtor owes to the creditor. It reflects the value of the instrument at creation and subsequent economic flows (such as transactions, exchange rate, and other valuation changes other than market price changes, and other volume changes).

6/ The face value of a debt instrument is the undiscounted amount of principal to be paid at (or before) maturity.

7/ Market value of debt instruments is the value as if they were acquired in market transactions on the balance sheet reporting date (reference date). Only traded debt securities have observed market values.

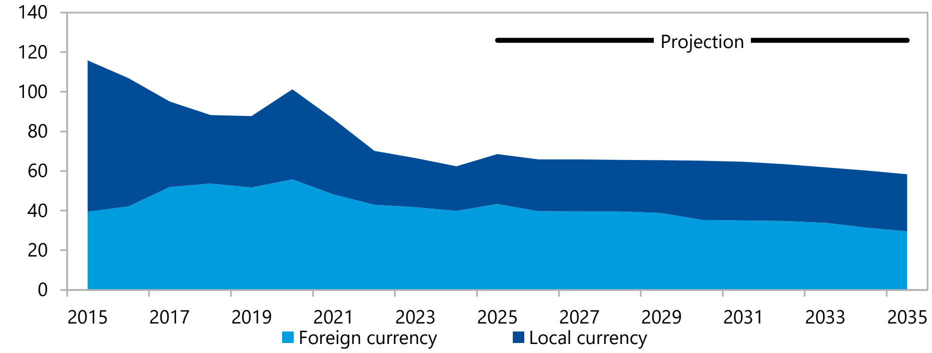
Commentary: The DSA covers debt issued by central government, public bodies and debt guaranteed by central government. The authorities are improving coverage and quality of public finance data, including expanding the coverage to general government. Under the 2014 GFSM methodology, staff considers that the NMIA securitization should be recorded as a debt accumulation instead of revenue. This would lower the primary surplus in FY2024/25 and raise the debt relative to the authorities' definition. The same treatment applies to the securitization of revenue flows from Montego Bay Airport in July 2025.

Figure 2. Jamaica: Public Debt Structure Indicators

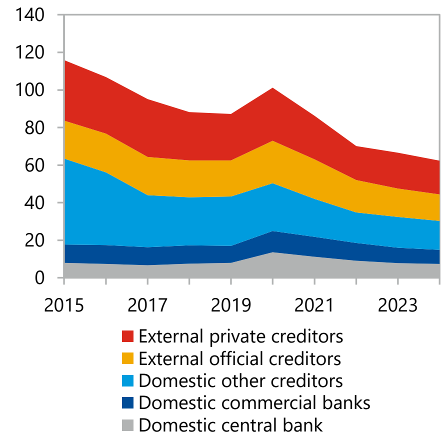
(Fiscal Year)

Public Debt Structure Indicators

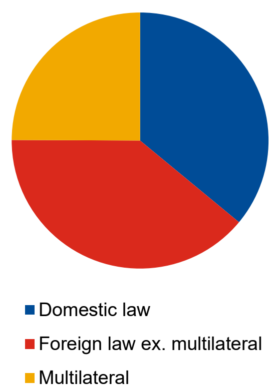
Debt by Currency (Percent of GDP)



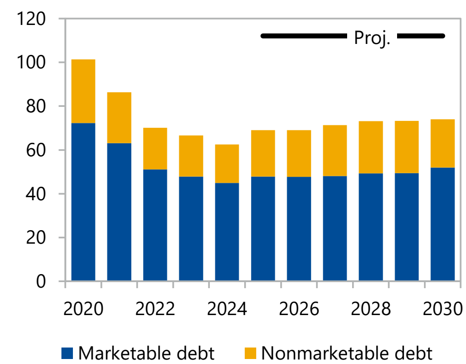
Public Debt by Holder (Percent of GDP)



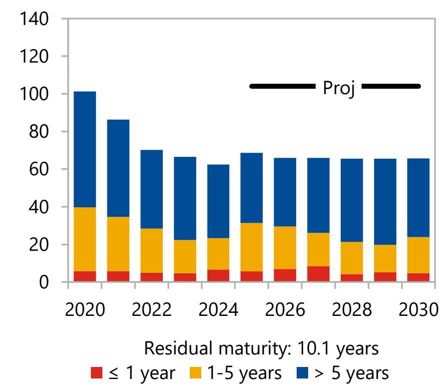
Public Debt by Governing Law, 2024 (Percent)



Debt by Instruments (Percent of GDP)



Public Debt by Maturity (Percent of GDP)



Note: The perimeter shown includes direct debt by the central government, guaranteed debt and debt of public bodies guaranteed by the government, excluding the central bank.

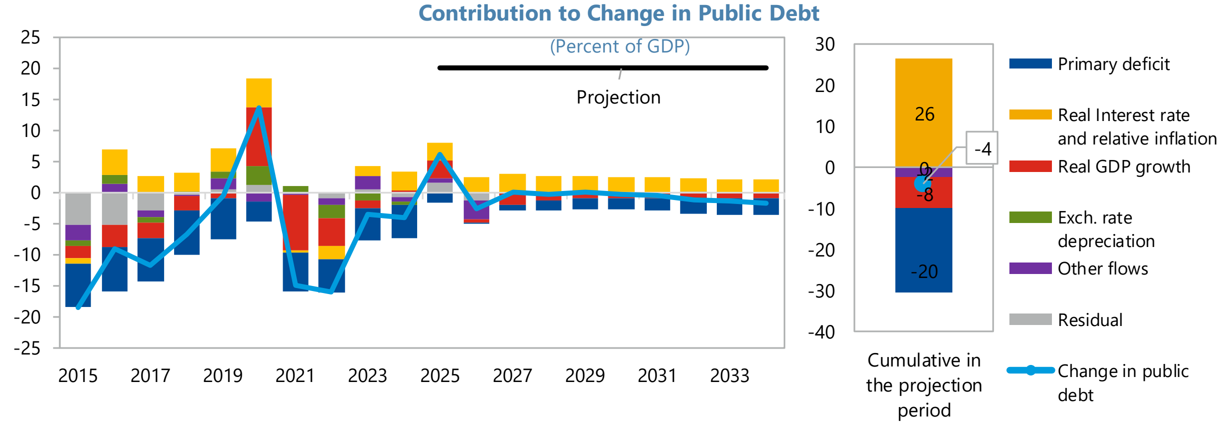
Commentary: The share of external debt is expected to decline over the long term as the authorities implement strategies and policies in support of continued development of the domestic debt market. In terms of maturity structure, most of the planned issuances are for medium to long-term maturity.

Table 2. Jamaica: Baseline Scenario
(Percent of GDP unless indicated otherwise; fiscal year)

	Actual	Medium-term projection						Extended projection					
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Public debt	62.4	68.6	65.9	65.9	65.6	65.5	65.2	64.6	63.4	61.9	60.2	58.4
Change in public debt	-4.1	6.2	-2.7	0.0	-0.4	0.0	-0.3	-0.6	-1.2	-1.5	-1.7	-1.8
Contribution of identified flows	-3.3	4.6	-1.4	0.0	-0.3	0.0	-0.2	-0.6	-1.2	-1.5	-1.6	-1.7
Primary deficit	-5.4	-1.7	-0.2	-1.0	-1.7	-1.7	-1.7	-2.0	-2.5	-2.7	-2.7	-2.7
Noninterest revenues	30.3	30.3	28.2	28.2	28.1	28.2	28.2	28.9	29.1	29.3	29.3	29.4
Noninterest expenditures	24.9	28.6	28.0	27.3	26.4	26.4	26.5	26.9	26.7	26.7	26.7	26.7
Automatic debt dynamics	2.7	5.6	1.8	1.0	1.3	1.7	1.5	1.4	1.2	1.2	1.1	1.0
Real interest rate and relative inflation	3.0	2.8	2.4	2.9	2.6	2.7	2.5	2.4	2.2	2.1	2.0	1.9
Real interest rate	1.9	1.8	0.2	1.8	1.5	1.6	1.4	1.4	1.3	1.2	1.1	1.0
Relative inflation	1.1	1.1	2.2	1.1	1.1	1.1	1.0	1.0	0.9	0.9	0.9	0.8
Real growth rate	0.3	2.8	-0.5	-1.9	-1.3	-1.0	-1.0	-1.0	-1.0	-0.9	-0.9	-0.9
Real exchange rate	-0.6	…	…	…	…	…	…	…	…	…	…	…
Other identified flows	-0.6	0.7	-3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contingent liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(minus) Interest Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other transactions	-0.6	0.7	-3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contribution of residual 1/	-0.8	1.6	-1.3	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Gross financing needs	8.5	7.8	9.9	10.2	10.8	8.1	8.5	7.9	7.8	7.3	8.3	10.0
of which: debt service	13.9	9.5	10.1	11.2	12.5	9.8	10.2	9.9	10.3	10.0	10.9	12.7
Local currency	7.0	3.5	3.7	5.2	6.6	4.9	4.5	6.4	6.6	5.7	6.2	6.7
Foreign currency	6.8	6.0	6.3	5.9	5.8	4.9	5.7	3.6	3.7	4.3	4.7	5.9
Memo:												
Real GDP growth (percent)	-0.5	-4.3	0.8	3.0	2.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Inflation (GDP deflator; percent)	5.3	5.2	7.4	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7
Nominal GDP growth (percent)	4.8	0.6	8.3	7.9	6.8	6.3	6.3	6.3	6.3	6.3	6.3	6.3
Effective interest rate (percent)	8.3	8.0	7.7	7.7	7.2	7.4	7.0	7.0	6.8	6.7	6.6	6.6

1/ The contribution of the real exchange rate explains the non-zero value for the contribution of the residual in the initial year of the projection.

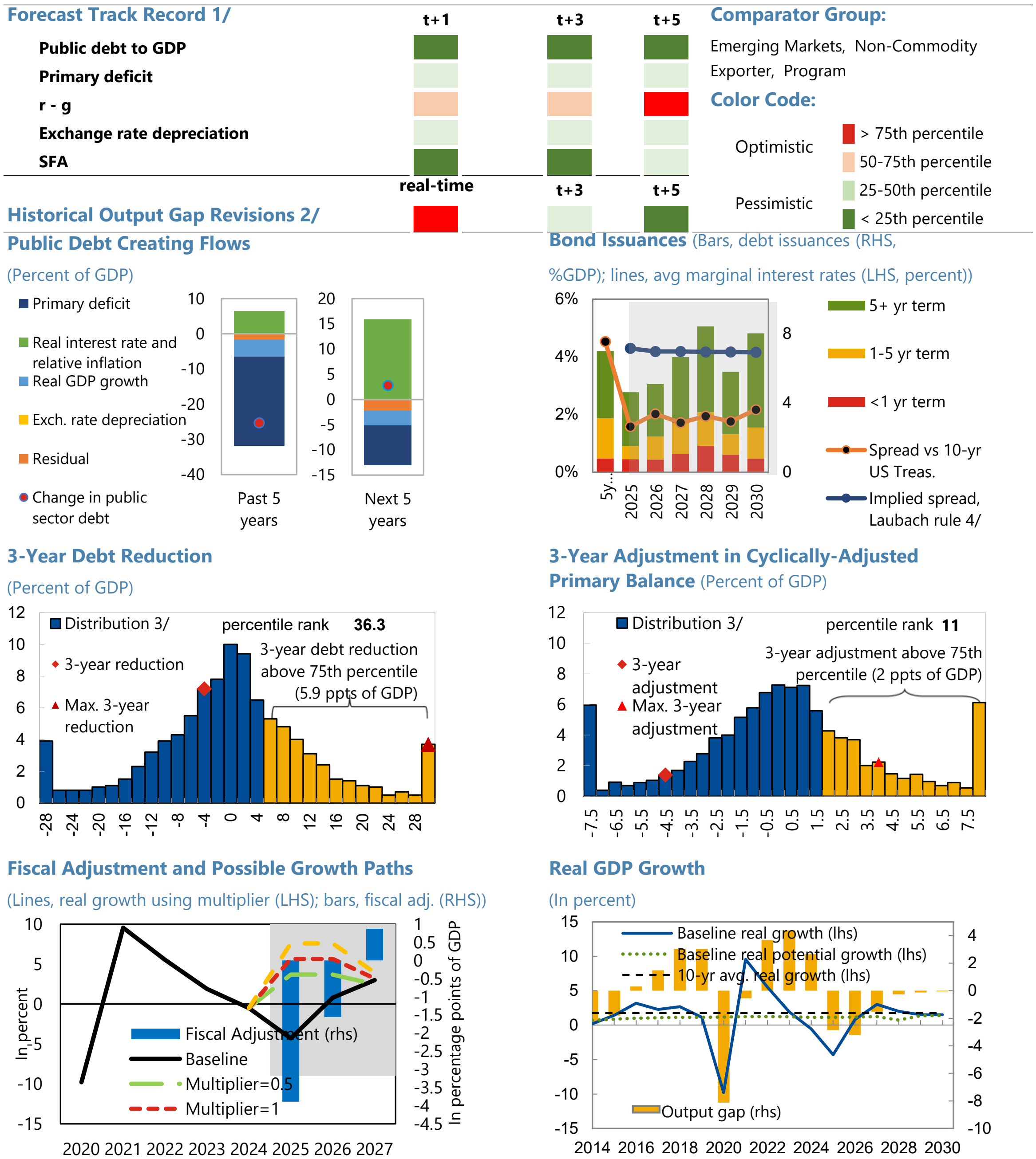
Contribution to Change in Public Debt



Commentary: Public debt is projected to rise in FY2025/26 due to Hurricane Melissa, decline in FY2026/27 following a substantial drawdown of government deposits, and then continue a modest downward trend thereafter.

Figure 3. Jamaica: Realism of Baseline Assumptions

(Fiscal Year)



Commentary: The realism analysis does not point to major concerns. Past forecast errors do not reveal any systematic biases and the projected debt reduction is within norms.

Source : IMF Staff.

1/ Projections made in the October and April WEO vintage.

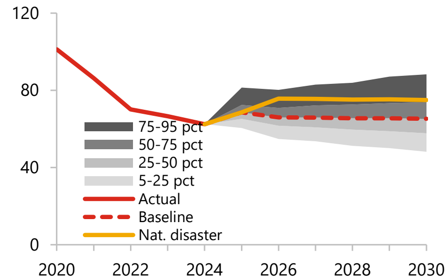
2/ Calculated as the percentile rank of the country's output gap revisions (defined as the difference between real time/period ahead estimates

3/ Data cover annual obervations from 1990 to 2019 for MAC advanced and emerging economies. Percent of sample on vertical axis.

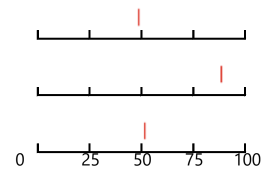
4/ The Laubach (2009) rule is a linear rule assuming bond spreads increase by about 4 bps in response to a 1 ppt increase in the projected debt-to-GDP ratio.

Figure 4. Jamaica: Medium-Term Risk Analysis
(Fiscal Year)

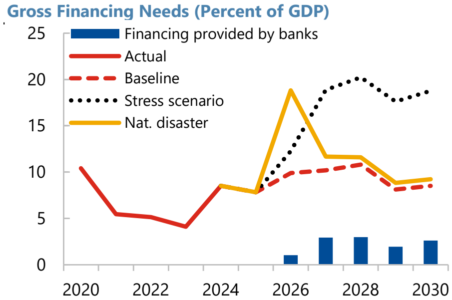
Final Fanchart (Percent of GDP)



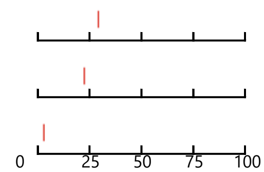
	Value	Contrib 1/	Percentile in peer group 2/
Debt fanchart module			
Fanchart width *(percent of GDP)*	40.1	0.6	
Probability of debt non-stabilization *(percent)*	44.6	0.4	
Terminal debt-to-GDP x institutions index	34.4	0.7	
Debt fanchart index (DFI)		1.7	
Risk signal: 3/		**Moderate**	



Gross Financing Needs (Percent of GDP)



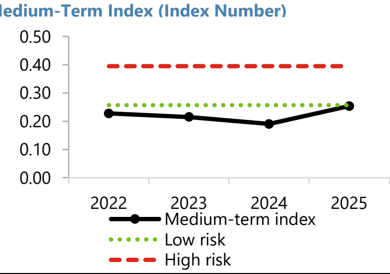
	Value	Contrib 1/	Percentile in peer group 2/
Gross financing needs (GFN) module			
Average baseline GFN *(percent of GDP)*	9.2	3.1	
Initial Banks' claims on the gen. govt *(pct bank assets)*	8.6	2.8	
Chg. In banks' claims in stress *(pct banks' assets)*	2.2	0.8	
GFN financeability index (GFI)		6.7	
Risk signal: 4/		**Low**	



Triggered stress tests (stress tests not activated in gray)

Banking crisis	Commodity prices	Exchange rate	Contingent liab.	**Natural disaster**

Medium-Term Index (Index Number)



Medium-term risk analysis

	Value	Value (normalized)	Weight	Contribution
Debt fanchart index	1.7	0.4	0.5	0.2
GFN financeability index	6.7	0.1	0.5	0.1
Medium-term index		0.3		
Risk signal: 5/		**Low**		
Final assessment:		**Moderate**		

Prob. of missed crisis, 2025-2030, if stress not predicted: 9.1 pct.
Prob. of false alarms, 2025-2030, if stress predicted: 42.0 pct.

Commentary: The Debt Fanchart Module signals moderate risk, driven by the wide fanchart at the end of the projection horizon, reflecting Jamaica's history of high public debt volatility. Under a natural disaster stress scenario, GFN needs would temporarily rise, and public debt would stabilize at a higher level over the medium term.

Source: IMF staff estimates and projections.
1/ See Annex IV of IMF, 2022, Staff Guidance Note on the Sovereign Risk and Debt Sustainability Framework for details on index calculation.
2/ The comparison group is emerging markets, non-commodity exporter, program.
3/ The signal is low risk if the DFI is below 1.13; high risk if the DFI is above 2.08; and otherwise, it is moderate risk.
4/ The signal is low risk if the GFI is below 7.6; high risk if the DFI is above 17.9; and otherwise, it is moderate risk.
5/ The signal is low risk if the GFI is below 0.26; high risk if the DFI is above 0.40; and otherwise, it is moderate risk.

Figure 5. Jamaica: Long-Term Risk Analysis

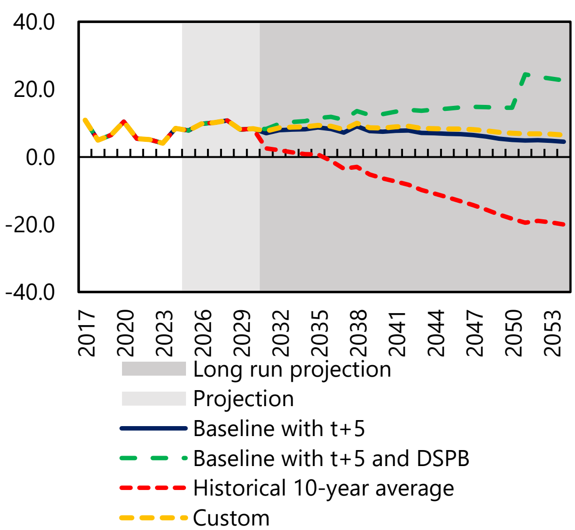
(Fiscal Year)

Long-Term Risk Assessment: Large Amortization Incl. Custom Scenario

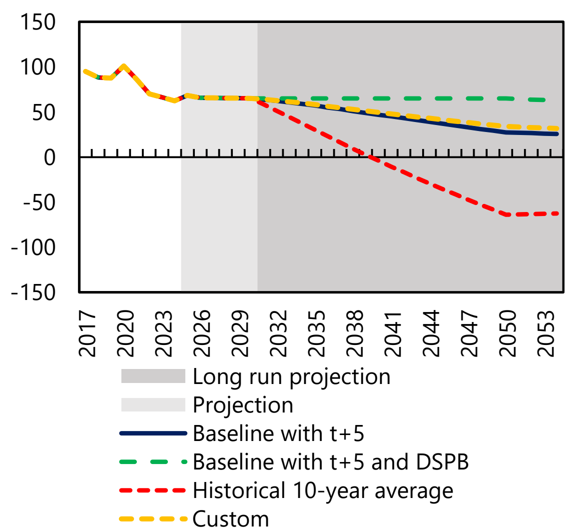
Projection	Variable	Risk Indication
Medium-term extrapolation	GFN-to-GDP ratio	
	Amortization-to-GDP ratio	
	Amortization	
Medium-term extrapolation with debt stabilizing primary balance	GFN-to-GDP ratio	
	Amortization-to-GDP ratio	
	Amortization	
Historical average assumptions	GFN-to-GDP ratio	
	Amortization-to-GDP ratio	
	Amortization	
Overall Risk Indication		

Variable	2030	2034 to 2038 average	Custom Scenario
Real GDP growth	1.5%	1.5%	2.0%
Primary Balance-to-GDP ratio	1.7%	2.5%	1.0%
Real depreciation	-2.4%	-2.4%	-2.4%
Inflation (GDP deflator)	4.7%	4.7%	5.0%

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio



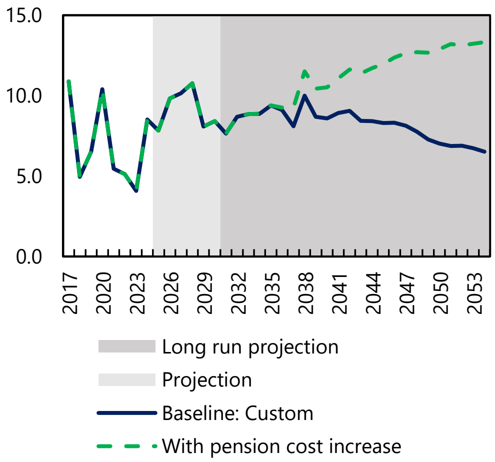
Commentary: Long-term risk is assessed to be moderate. The large amortization module shows gradual declines in GFN and debt relative to GDP both under the baseline and customized scenarios. The customized scenario assumes real GDP growth of 2 percent, a GDP deflator of 5 percent, and a primary balance surplus of 1 percent of GDP.

Figure 5. Jamaica: Long-Term Risk Analysis (Continued)

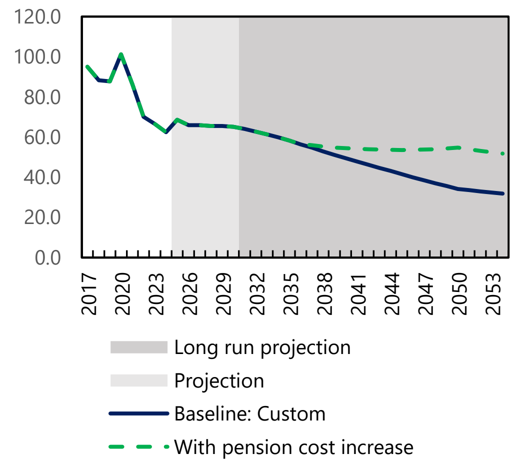
(Fiscal Year)

Demographics: Pensions

GFN-to-GDP Ratio



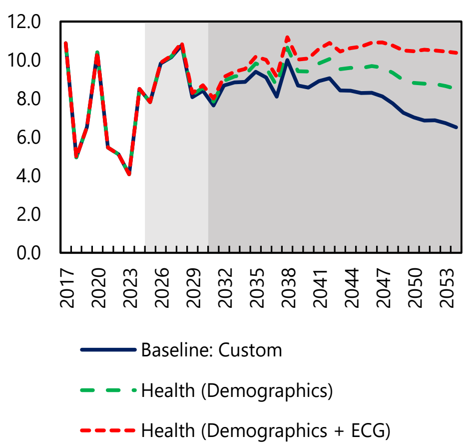
Total Public Debt-to-GDP Ratio



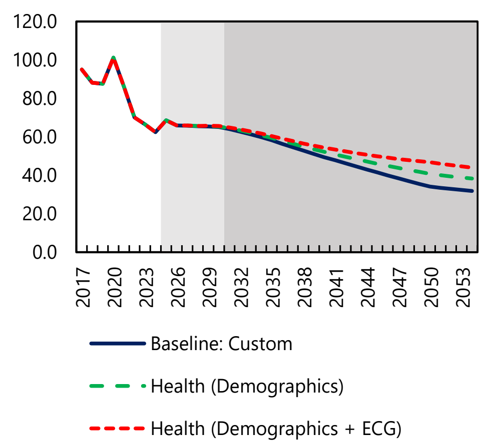
Commentary: Pension expenditures under the current system would lead to larger GFNs and cause a moderate rise in debt in the long run compared to the baseline scenario. This points to the need to undertake parametric reforms of the current public pension system. Actuarial reviews, scheduled to take place every three years, should continue to inform parametric reforms to the National Insurance Scheme to ensure that increased coverage does not compromise the fiscal sustainability of the National Insurance Scheme. Further, making parametric changes to the pension plan for public employees based on actuarial reviews would help reduce its financial burden on public finances going forward.

Demographics: Health

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio

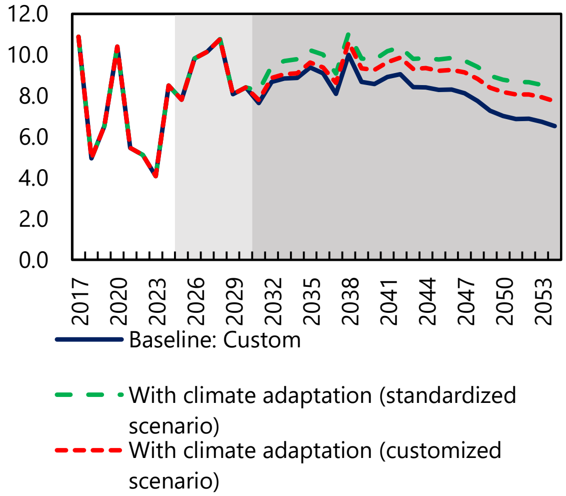


Commentary: Current health care expenditures would not pose significant sustainability concerns. A scenario of higher growth rate of healthcare costs (e.g., due to medical advances) suggests fiscal pressures that would prevent sustained declines in gross financing needs and public debt in the long run.

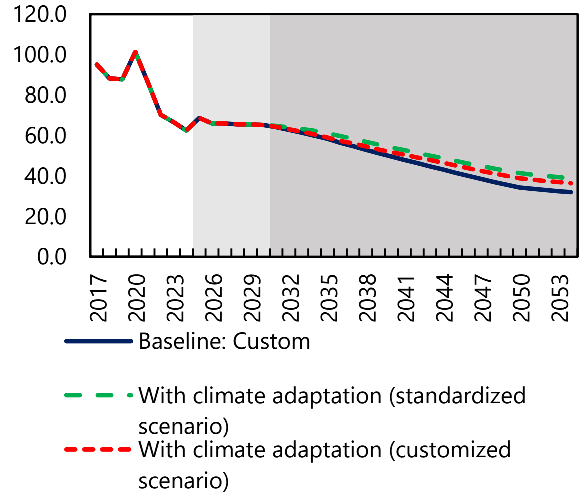
Figure 5. Jamaica: Long-Term Risk Analysis (Concluded)
(Fiscal Year)

Climate Change: Adaptation

GFN-to-GDP Ratio



Total Public Debt-to-GDP Ratio



Commentary: Climate-related adaptation expenditures are manageable and would not significantly impact debt sustainability. The standardized and customized scenarios of the climate change adaptation module add costs associated with investments of 0.4 percent of GDP and 0.2 percent of GDP over the long run, respectively.

Table 3. Jamaica: External Debt Sustainability Framework, 2020-2030

(In fiscal year and in percent of GDP, unless otherwise indicated)

	Actual							Projections						
	2020	2021	2022	2023	2024	10-Year Historical Average	10-Year Standard Deviation	2025	2026	2027	2028	2029	2030	Debt-stabilizing non-interest current account 6/
1 **Baseline: External debt**	95.9	84.9	71.7	68.2	64.3			**63.0**	**63.8**	**62.6**	**59.9**	**56.1**	**52.3**	**-2.9**
2 Change in external debt	19.4	-11.0	-13.1	-3.5	-3.9			-1.3	0.8	-1.2	-2.7	-3.8	-3.8	
3 Identified external debt-creating flows (4+8+9)	9.3	-12.1	-16.9	-11.4	-7.4			2.7	2.4	0.7	-2.1	-2.8	-2.9	
4 Current account deficit, excluding interest payments	-1.0	-1.6	-3.6	-5.0	-5.1			0.2	3.5	3.2	-0.2	-1.2	-1.4	
5 Deficit in balance of goods and services	-56.9	-78.4	-86.3	-80.0	-75.4			-76.5	-80.5	-80.1	-81.0	-80.5	-79.9	
6 Exports	18.4	29.6	35.7	34.0	32.2			28.5	28.7	29.2	31.5	32.1	32.1	
7 Imports	-38.5	-48.8	-50.6	-45.9	-43.2			-48.0	-51.8	-50.9	-49.5	-48.4	-47.8	
8 Net non-debt creating capital inflows (negative)	-3.5	-2.3	-1.6	-2.5	-2.1			-2.1	-2.4	-2.4	-2.4	-2.4	-2.4	
9 Automatic debt dynamics 1/	13.8	-8.2	-11.6	-3.9	-0.2			4.6	1.3	-0.1	0.5	0.8	0.9	
10 Contribution from nominal interest rate	2.2	2.2	1.9	2.1	2.1			1.8	1.8	1.8	1.7	1.7	1.7	
11 Contribution from real GDP growth	8.6	-8.2	-3.9	-1.2	0.3			2.8	-0.5	-1.8	-1.2	-0.9	-0.8	
12 Contribution from price and exchange rate changes 2/	3.1	-2.3	-9.6	-4.8	-2.6			...	...	...	...	...	...	
13 Residual, incl. change in gross foreign assets (2-3) 3/	10.1	1.1	3.8	7.8	3.6			-4.0	-1.6	-1.9	-0.7	-1.0	-0.9	
External debt-to-exports ratio (in percent)	521.9	286.6	201.1	200.3	199.6			221.2	222.4	214.3	190.1	174.9	163.0	
Gross external financing need (in billions of US dollars) 4/	2.1	2.7	2.1	2.1	2.6			3.2	4.1	4.2	3.5	2.7	2.8	
in percent of GDP	14.0	16.6	10.9	10.0	11.7			15.0	17.8	17.5	13.9	10.3	10.5	
Scenario with key variables at their historical averages 5/								**63.0**	**57.3**	**49.6**	**43.3**	**37.2**	**31.2**	**-4.2**
Key Macroeconomic Assumptions Underlying Baseline														
Real GDP growth (in percent)	-9.8	9.6	5.5	1.9	-0.5	1.7	4.9	-4.3	0.8	3.0	2.0	1.5	1.5	
GDP deflator in US dollars (change in percent)	-3.8	2.5	12.7	7.1	3.9	3.0	4.8	2.1	4.6	1.7	1.8	2.5	2.5	
Nominal external interest rate (in percent)	2.5	2.6	2.6	3.3	3.1	3.1	0.4	2.7	3.0	2.9	2.9	3.0	3.1	
Growth of exports (US dollar terms, in percent)	-53.1	81.0	43.3	4.2	-2.1	10.2	34.6	-13.7	6.3	6.7	11.9	5.9	4.1	
Growth of imports (US dollar terms, in percent)	-29.3	42.3	23.5	-1.0	-2.8	4.5	19.6	8.8	13.7	3.0	0.9	1.7	2.7	
Current account balance, excluding interest payments	1.0	1.6	3.6	5.0	5.1	2.2	1.8	-0.2	-3.5	-3.2	0.2	1.2	1.4	
Net non-debt creating capital inflows	3.5	2.3	1.6	2.5	2.1	3.7	2.3	2.1	2.4	2.4	2.4	2.4	2.4	

1/ Derived as [r - g - r(1+g) + ea(1+r)]/(1+g+r+gr) times previous period debt stock, with r = nominal effective interest rate on external debt; r = change in domestic GDP deflator in US dollar terms, g = real GDP growth rate, e = nominal appreciation (increase in dollar value of domestic currency), and a = share of domestic-currency denominated debt in total external debt.

2/ The contribution from price and exchange rate changes is defined as [-r(1+g) + ea(1+r)]/(1+g+r+gr) times previous period debt stock. r increases with an appreciating domestic currency (e > 0) and rising inflation (based on GDP deflator).

3/ For projection, line includes the impact of price and exchange rate changes.

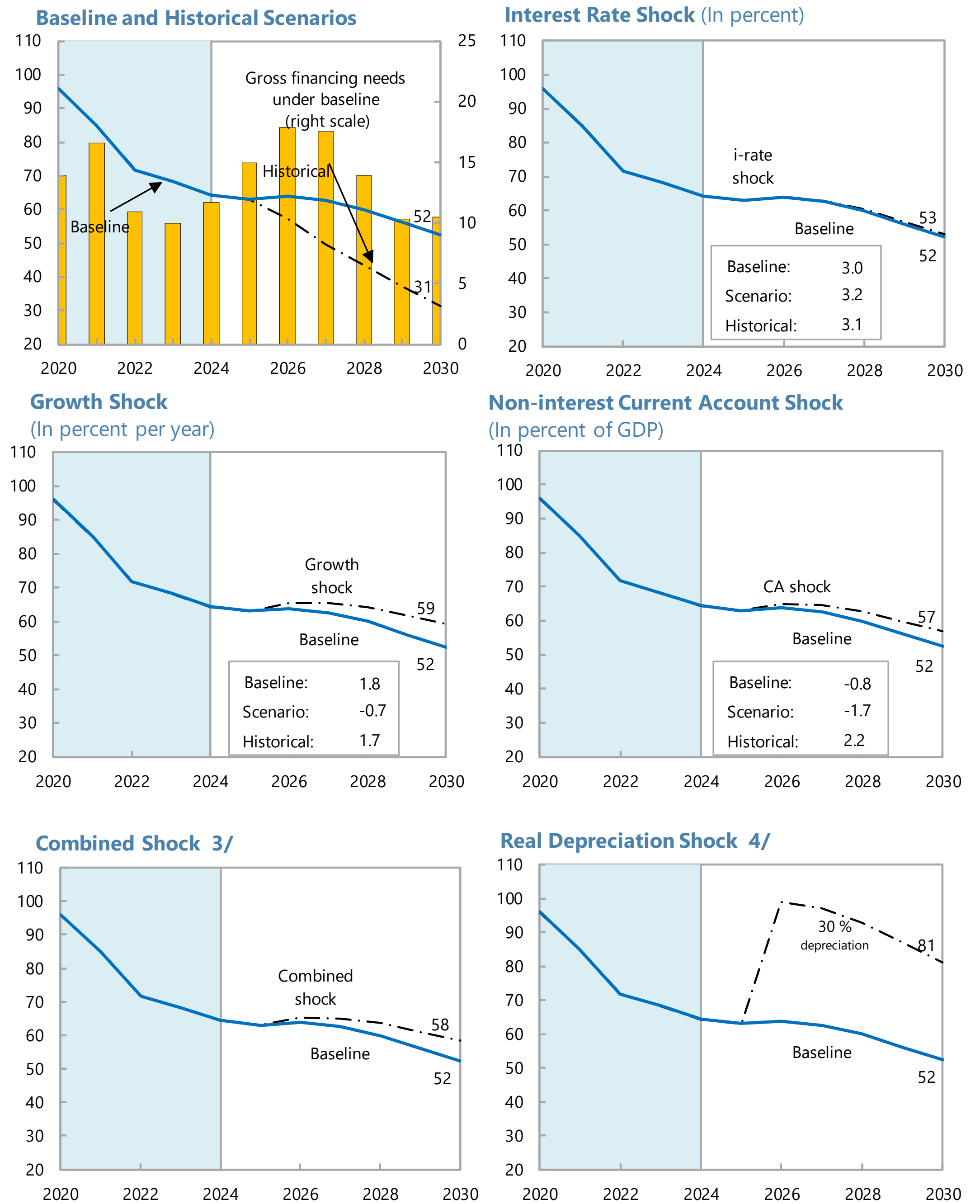
4/ Defined as current account deficit, plus amortization on medium- and long-term debt, plus short-term debt at end of previous period.

5/ The key variables include real GDP growth; nominal interest rate; dollar deflator growth; and both non-interest current account and non-debt inflows in percent of GDP.

6/ Long-run, constant balance that stabilizes the debt ratio assuming that key variables (real GDP growth, nominal interest rate, dollar deflator growth, and non-debt inflows in percent of GDP) remain at their levels of the last projection year.

Figure 6. Jamaica: External Debt Sustainability: Bound Tests 1/2/

(External debt in percent of GDP)



Sources: International Monetary Fund, Country desk data, and staff estimates.
1/ Shaded areas represent actual data. Individual shocks are permanent one-half standard deviation shocks. Figures in the boxes represent average projections for the respective variables in the baseline and scenario being presented. Ten-year historical average for the variable is also shown.
2/ For historical scenarios, the historical averages are calculated over the ten-year period, and the information is used to project debt dynamics five years ahead.
3/ Permanent 1/4 standard deviation shocks applied to real interest rate, growth rate, and current account balance.
4/ One-time real depreciation of 30 percent occurs in 2024.

Appendix I. Letter of Intent

December 22, 2025

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, DC 20431
United States

Dear Ms. Georgieva:

1. On October 28, Hurricane Melissa made landfall near the parish border between St. Elizabeth and Westmoreland as a Category 5 hurricane, bringing sustained winds of about 185 mph (295 km/h), storm surges reaching up to 4 meters (13 feet), and widespread flooding caused by intense rainfall. Hurricane Melissa ranks among the most powerful Atlantic hurricane to make landfall on record and was the most powerful storm ever to strike Jamaica on record, surpassing that previously set by Hurricane Gilbert in 1988.

2. Hurricane Melissa caused unprecedented destruction across Jamaica, with total direct physical damage estimated at US$8.8 billion—equivalent to approximately 41 percent of Jamaica's 2024 GDP. The most severe impacts were concentrated in the western and central parishes, notably St. Elizabeth, St. James, Westmoreland, Trelawny, Manchester, St. Ann, and Hannover, which together accounted for 90 percent of the country's total damage. The hurricane displaced at least 90,000 people, severely disrupted essential services, and resulted in 45 reported fatalities and 13 missing persons. These figures underscore the scale of the disaster and highlight the urgent need for resilient reconstruction and recovery across all affected sectors.

3. The passage of the Hurricane is projected to have a profound and negative impact on Jamaica's economy, with a contraction of 4.3 percent in GDP anticipated for fiscal year 2025/26. The devastation to residential and productive assets—including electricity, water, telecommunications, and road infrastructure—has affected all major industries. Agriculture is expected to be the most adversely impacted sector, with significant losses in crop production and livestock, while the tourism sector faces temporary closures and reduced visitor arrivals due to infrastructure damage. A full return to pre-hurricane output levels is projected to require three to five years.

4. Despite the substantial efforts made by Jamaica to constitute a multi-layered disaster risk financing strategy in response to potential negative events, the financial resources available for disaster recovery are insufficient to meet Jamaica's balance of payments needs following the destruction caused by Hurricane Melissa. Despite the disaster financing framework—including Government of Jamaica's Contingency Fund and National Natural Disaster Reserve Fund, parametric insurance from the Caribbean Catastrophe Risk Insurance Facility, a World Bank-supported

catastrophe bond and Catastrophe Deferred Drawdown Option, and a contingent credit facility with the Inter-American Development Bank—the total damage far exceeds available coverage. Jamaica's strong record of macroeconomic performance has enabled the accumulation of substantial foreign currency reserves and fiscal buffers. Nevertheless, the scale of rehabilitation and reconstruction to restore full economic and social functionality is well beyond the resources currently available under the disaster risk financing framework.

5. Against this background, the Government of Jamaica requests emergency financing from the IMF under the Rapid Financing Instrument (RFI)'s large natural disaster window in the amount of SDR306.32 million, equivalent to 80 percent of quota, to proactively respond to these severe balance of payment needs. Coupled with our robust disaster risk financing framework, this disbursement will help fill the external financing gaps in FY2025/26.

6. The Jamaican government will maintain its open dialogue with the IMF. We are committed to continued macroeconomic stability and will avoid any measures or policies that would exacerbate balance of payments difficulties. We do not intend to impose new or intensify existing restrictions on the making of payments and transfers for current international transactions, trade restrictions, or multiple currency practices, or to enter into bilateral payments agreements which are inconsistent with Article VIII of the Fund's Articles of Agreement. We will consult with the Fund ahead of any revisions regarding the policies referred to in the Letter of Intent, in accordance with the Fund's policies on such consultations.

7. In line with the IMF safeguards policy, we commit to undergoing a safeguards assessment. We will provide IMF staff with the Bank of Jamaica's most recently completed external audit reports and authorize its external auditors to hold discussions with IMF staff. Given that financing from the IMF could be onlent to the government to meet potential additional fiscal needs, a framework agreement will be established between the Ministry of Finance and the Public Service and the Bank of Jamaica on the respective responsibilities for timely servicing of Jamaica's obligations to the IMF.

8. We authorize the Fund to publish this Letter of Intent and the staff report for the request for disbursement under the RFI, in line with the Government's commitment to transparency.

Very truly yours,

/ s /	/ s /
Fayval Williams, MP	Richard Owen Byles
Minister of Finance and the Public Service	Governor, Bank of Jamaica

Statement by Gina Fitzgerald, Alternate Executive Director for Jamaica and Michael Francis, Senior Advisor
January 16, 2026

On behalf of the Jamaican authorities, we express our sincere appreciation to the Fund's Management and the country mission team, led by Mr. Mauricio Villafuerte, for their engagement during this critical period following Hurricane Melissa.

Hurricane Melissa caused substantial economic damage. The losses are estimated at about 40% of GDP. They have also created a pressing balance of payments need given the damage done to the tourism and agricultural sectors as well as the subsequent import needs to support the rehabilitation and recovery. Jamaica's authorities have submitted a request for emergency financial assistance under the Rapid Financing Instrument's (RFI) large disaster window of 80 percent of quota (SDR306.32 million or about US$415 million).

Staff assess that Jamaica meets the eligibility requirements for support under the RFI's large natural disaster window (i.e., disaster damage exceeding 20% of GDP and an urgent balance of payments need). The authorities broadly concur with the assessment presented in the accompanying Staff Report and remain deeply grateful for the Fund's continued engagement, as well as the Executive Board's unwavering support for Jamaica.

Jamaica has a strong track record of economic and fiscal management. It successfully completed its Precautionary and Liquidity Line/Resilience and Sustainability Facility (PLL/RSF) arrangements in 2024/25. Under these programs, Jamaica substantially outperformed on all the indicative targets and structural benchmarks and implemented all the required reform measures.

Through the authorities' sustained and exemplary dedication to fiscal responsibility, Jamaica's debt to GDP ratio was brought down from 144 percent of GDP in 2012/13 to 62.4 percent of GDP in FY2024/25 and was on track to meet the 60% of GDP benchmark ahead of target. Given the nature of climate-related risks that it faced Jamaica had also incorporated a multi-layered disaster risk financing strategy into its fiscal framework. This framework has been a model for the region and other countries more generally. However, the exceptional scale of rehabilitation and reconstruction needed to restore full economic and social functionality is well beyond the resources currently available.

There is opportunity in crisis, and the Jamaican authorities are determined to rebound from this catastrophic event by building back better. The authorities' fiscally prudent plan focuses on investments in climate-smart reconstruction designed to upgrade infrastructure, strengthen growth, reduce the country's vulnerability to future climate-related events and reduce long-term maintenance costs. Jamaica's authorities look forward to consulting and working with the Fund to address the impact of hurricane Melissa and ensure continued macroeconomic stability.

Devastation Caused by Hurricane Melissa

Jamaica was struck by Hurricane Melissa on October 28, 2025. When it made landfall, Melissa was a category 5 hurricane and the third-most intense Atlantic hurricane on record. The storm caused 45 deaths, destroyed housing and displaced at least 90,000 people, severely damaged hospitals and schools along with critical road, electricity, telecommunications and water infrastructure. Tourism, mining and agricultural industries, which are important sources of export revenue, are particularly affected by the destruction. **The physical damage to Jamaica caused by Hurricane Melissa totals US$8.8 billion — equivalent to 41 percent of the country's 2024 GDP.**

Macroeconomic Impact

Growth and Inflation

The hurricane is projected to have a profound and negative impact on Jamaica's economy. GDP is expected to contract by 4.3 percent in fiscal year 2025/26. This is 6.5pp lower than the latest Article IV growth forecast of about +2.2 percent. A full return to pre-hurricane output levels is projected to require three to five years. Inflation is projected to rise over the next year. Increases in food prices and the passthrough of import costs are expected to be key drivers. Inflation should then fall back to the Bank of Jamaica's target as monetary policy works to keep inflation expectations anchored and downward pressures from excess capacity are gradually eliminated.

Fiscal and External Sector Pressures

Recovery and reconstruction efforts will require the mobilization of resources. The authorities expect the primary surplus to fall to 1.7 percent of GDP in FY2025/26 followed by a further reduction to near zero percent of GDP in FY2026/27. Additional spending needs in FY2025/26 and FY2026/27 could be met from the disaster risk financing framework, support from official creditors, including the RFI, and a drawdown of existing cash buffers.

The shock from Hurricane Melissa has created an urgent external financing need of about 6.5 percent of GDP. Export earnings have contracted in line with the sharp drop in tourist arrivals. At the same time, relief, recovery and reconstruction efforts are expected to be import intensive. Overall, the current account balance is projected to shift from a surplus of 1.0 percent to a deficit of 2.0 percent of GDP in FY2025/26 and a surplus of 0.1 percent to a deficit of 5.3 percent of GDP in FY2026/27. The deficit is expected to be partially financed by FDI inflows to support reconstruction in sectors such as tourism.

Financial Sector

Jamaica's banks have strong capital positions, adequate liquidity and low non-performing loans, leaving them well positioned to manage the impact of the hurricane. Financial system supervisors will remain vigilant, closely monitoring risks and evaluating appropriate policy responses to preserve financial stability.

Financing Needs and Role of the RFI

To address its immediate financing needs, the government has requested emergency assistance of 80 percent of quota (approximately USD415 million) under the RFI. As a Caribbean island nation, Jamaica is accustomed to dealing with the impact of tropical storms and hurricanes. In recognition of this, the Jamaican government had a well-developed disaster risk financing framework in place ahead of Hurricane Melissa. This included the Contingencies Fund and the National Natural Disaster Reserve Fund, insurance with CCRIF, a Contingent Credit Facility with the IDB, and a catastrophe bond. These instruments facilitated an inflow of funds to supplement the Government's own contingency resources, for a total of US$625 million. **Despite such provisioning, the unprecedented scale of the damage has left Jamaica with a balance of payments need that far exceeds the resources currently available under the disaster risk financing framework.**

The RFI resources will provide budget support for urgent recovery and reconstruction efforts needed to restore productive capacity to the economy. The funding will also make space for critical social spending including the rebuilding of schools and hospitals.

Authorities' Commitments

Despite the severe impact of the hurricane on Jamaica's economy, the authorities remain firmly committed to fiscal responsibility and debt consolidation over the medium term while ensuring that the economy recovers well from the Hurricane's impact.

The Jamaican government has acted swiftly to not only introduce urgent relief measures but to also put a recovery and reconstruction framework in place. This framework is designed to strengthen the government's capacity to coordinate across government agencies and accelerate the delivery of public investments. The Government, with the support of multilateral organizations, also plans to mobilize private investments to support the rebuilding and recovery. To ensure Jamaica's recovery is effective, resilient, and informed by global best practices, Jamaican authorities will draw on technical assistance provided by the Fund's staff as well as from other international agencies. The authorities are also committed to ensuring continued transparency and high standards of governance. To ensure that they meet their obligations to the Fund, the authorities has established a framework (e.g., through a memorandum of understanding) between the Bank of Jamaica and the Ministry of Finance and the Public Service that clarifies their respective responsibilities for timely servicing of Jamaica's obligations to the IMF.

The Jamaican government is committed to continued macroeconomic stability but recognizes that the process ahead will be challenging. To this end, it will maintain its open dialogue and close collaboration with the Fund and other partners to manage risks and ensure effective implementation of the RFI.

Concluding Remarks

Hurricane Melissa has imposed severe humanitarian and economic costs. Nevertheless, the Jamaican authorities are committed to building back better from this disaster in a climate-smart fashion. The Jamaican authorities are deeply grateful to the Fund for its support and to the staff for their timely assistance and constructive and professional engagement.