



Coming out of its three-day retreat, the Cabinet has signed off on a number of measures that are required to advance Jamaica's negotiations with the International Monetary Fund (IMF), towards a satisfactory conclusion.

Finance and Planning Minister, Dr. the Hon. Peter Phillips, told a post Cabinet press briefing at the Office of the Prime Minister (OPM) on January 14, that the technical negotiating team will now be able to return to the bargaining table with the IMF for what should be the final round of negotiations.

Dr. Phillips reported that the most critical of the measures unanimously agreed on by Cabinet, is a programme to reduce the country's debt stock, which presently stands at \$1.7 trillion.

The Minister said the debt reduction programme will begin by increasing the primary surplus for the next fiscal year from the originally planned 6.3 per cent to 7.5 per cent of Gross Domestic Product (GDP). This level of primary surplus will be maintained through the entire period of the programme up to 2016/17, he said.

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Dr. Phillips further added that the targeted reductions will require a combination of measures, including taxes, wage restraint, a prioritization of expenditures and divestment of public assets. He stated that a firm commitment on wage restraint in the public sector is likely to be a prior action requirement of the IMF programme.

"It is clear that these measures will require sacrifice from all sectors of the society. However, that is the price we all have to pay if we are to achieve macro-economic stability, which is necessary for growth and for job creation," the Minister said.

He pointed out that the Cabinet has insisted that the burden be equitably shared and as far as possible, the most vulnerable in the society must be protected, noting that the final medium term economic and financial policy statement will include a specified floor for social expenditures, as part of the overall programme.

“We are going to commit, as part of the programme, that there will be a minimum, not maximum, level of expenditure on social programmes, including PATH, educational assistance and health services...,” Dr. Phillips said.

The Minister reiterated that the negotiations with the IMF cannot be carried out in the public domain because of their sensitive nature, but promised a full report as soon as there is clearance on both sides.

The press briefing saw representation from several Senior Cabinet Ministers as well as government technocrats who attended the retreat from January 10-12.