

Minister promises drastic cuts in Jamaica's 2010/11 budget

Jamaica's Minister of Finance and the Public Service, Audley Shaw, has indicated that the 2010/11 Budget, which will be tabled on Thursday (March 25), will be \$100 billion below the 2009/2010 estimates.

"Thursday is going to show quite a bit of compression," Shaw said, in reference to the fact that the State Opening of the new session of Parliament is scheduled for Thursday (March 25). "It is likely to be over a \$100 billion less than the one we have finally signed off here. So it's going to be under \$500 billion, whereas this budget is \$593 billion, and that sharp reduction is attributable to the debt exchange programme," he said.

Shaw was speaking on Wednesday in the debate on the second Supplementary Estimates of Expenditure 2009/10, in the House of Representatives.

The Minister warned, however, that the drastic reduction in spending did not mean that the country is "out of the woods", economically, or that there is room for fiscal irresponsibility.

"It doesn't mean that we have created space to go on some kind of fiscal excursion. In order to maintain the targets with the International Monetary Fund, we are going to have to have strong fiscal compression in relation to public sector wages, in relation to the capital programme," he cautioned.

The Supplementary Estimates were approved by the House Wednesday (March 17), showing an increase of \$31.5 billion, due primarily to the influence of the Jamaica Debt Exchange (JDX) programme, for a total budget of \$593 billion.