ECONOMIC BULLETIN

AUGUST 2026

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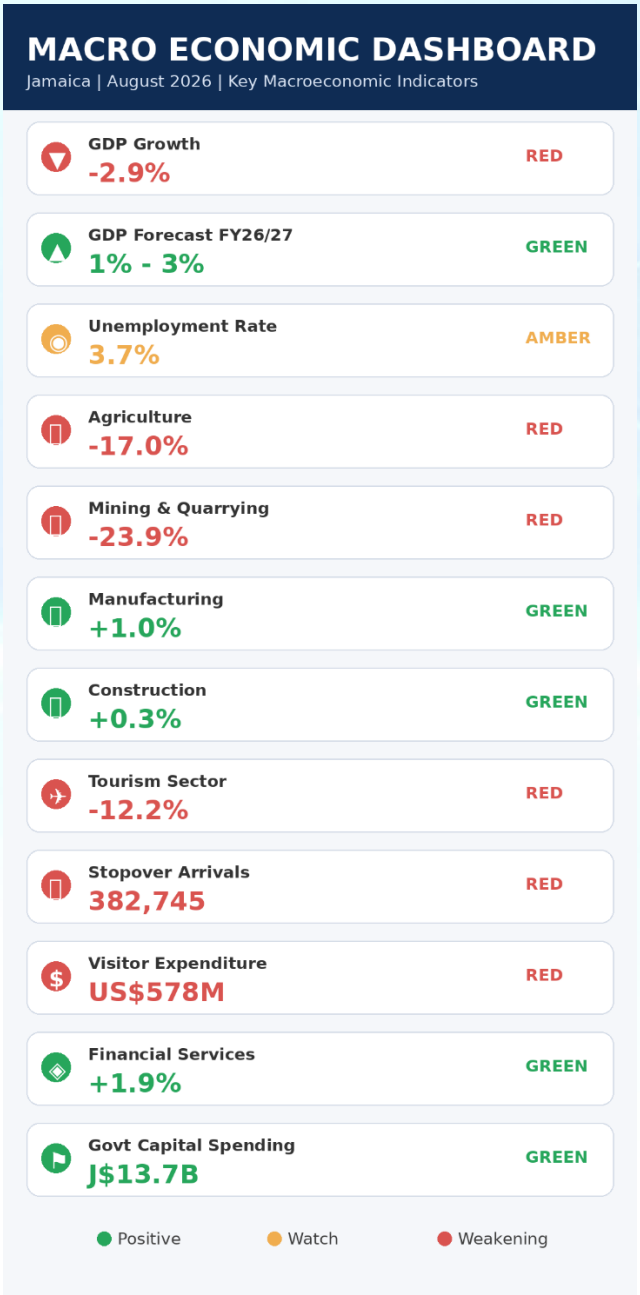

Executive Director's Message

Farm to Market to Bank: Cultivating Growth and Advancing Trade and Finance

When many people think about agriculture, they often picture the traditional image of farming: labouring in the fields, tending crops, and harvesting produce. While these remain integral components of the sector, such perceptions fail to capture agriculture's true significance in a modern economy. Agriculture is not simply about food production; it is about economic resilience, trade competitiveness, national security, and sustainable development.

As nations grapple with increasingly complex challenges, including climate change, supply chain disruptions, population growth, and geopolitical uncertainty, food security has emerged as one of the defining issues of our time. The ability of a country to reliably feed its population is not merely a social objective but an economic imperative. It is difficult to envision long-term prosperity and stability without a robust, resilient agricultural sector that serves as one of the foundations of national development.

For Jamaica, the conversation around agriculture must therefore move beyond production alone. We must begin to view the sector as an interconnected ecosystem that stretches from farm to market and ultimately to finance. Farmers, manufacturers, distributors, exporters, logistics providers, policymakers, researchers, and consumers each form an important link in this chain. Yet one of the most critical partners in enabling the sector's growth and transformation is the financial sector.

Agriculture is not simply about food production; it is about economic resilience, trade competitiveness, national security, and sustainable development.

Access to finance remains one of the most significant constraints on agricultural development. However, the challenge extends beyond access alone. It requires a deeper

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understanding of the realities and risks that define modern agriculture. Climate change has increased the frequency and severity of weather-related events. Rising energy costs continue to affect productivity and competitiveness. Market volatility, technological transformation, and changing consumer demands introduce additional layers of complexity.

These realities call for a new approach to agricultural financing. Financial institutions must be empowered and encouraged to move beyond traditional lending models and to develop solutions that reflect the sector's unique characteristics. This may include innovative risk-sharing mechanisms, climate resilience financing, technology adoption support, crop and weather-related insurance products, and financing structures that recognise the longer investment horizons often associated with agricultural production and agribusiness development.

The importance of this discussion is underscored by recent developments within Jamaica's financial leadership landscape. With new leadership at both the Jamaica Bankers Association and the Bank of Jamaica, there is an opportunity to engage in a broader conversation about how financial sector policies and monetary frameworks can evolve to better support productive sectors while preserving stability and promoting growth.

The Bank of Jamaica's recent decision to maintain its policy rate at 5.5 per cent, despite inflationary pressures, highlights the delicate balance that policymakers must strike between price stability and economic expansion. As we contemplate the future of agriculture and other productive sectors, it is timely to consider how our financial architecture can better support investment, innovation, and resilience in sectors fundamental to long-term economic transformation. The August bulletin highlights recent economic developments, including inflation and monetary policy updates following the August 18 policy announcement, as well as developments in agriculture, trade, and finance.

Encouragingly, opportunities continue to emerge. The recent State Visit of Ghanaian President John Dramani Mahama, during which agriculture and agro-processing were identified among the areas for deeper bilateral cooperation, further highlights the potential for South–South partnerships to unlock investment, innovation and new markets for Jamaican agriculture.

The growing interest surrounding agricultural innovation and trade linkages between Jamaica and international partners serves as a reminder that agriculture is not merely about cultivation, but about unlocking new markets, creating value-added products, strengthening food systems, and driving export growth. These opportunities can only be fully realised

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through coordinated action across the entire ecosystem.

If agriculture is to contribute meaningfully to Jamaica's next phase of growth, we cannot ask farmers alone to transform the sector. The ecosystem around them must transform as well. Banks must innovate. Insurers must innovate. Technology and energy solutions must become more accessible. Trade and logistics systems must improve. Government policy must facilitate investment and scale. And agricultural enterprises themselves must increasingly be structured and supported as investable businesses.

As we look ahead, Jamaica must embrace a new vision of agriculture, one that is technology-enabled, climate-smart, market-oriented, and supported by a financial system that recognises its strategic value. If we are serious about building resilience, promoting inclusive growth, and enhancing our competitiveness, then strengthening the connection between farm, market, and bank must become a national priority.

The future of agriculture will not be determined solely by what happens in our fields. It will also be shaped by the strength of the partnerships, policies, and institutions that support the sector. By cultivating these connections today, we position ourselves to reap the benefits of a more secure, prosperous, and sustainable tomorrow.

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The PSOJ, in partnership with the IDB Group, presents

EMPOWER JA

6th Series

Building Bridges for Success

Leveraging Logistics, Digital Transformation and Talent to Strengthen Jamaica's Competitiveness and Resilience

Monday, September 7, 2026

9:00 a.m.–3:00 p.m.

Jamaica Pegasus Hotel, Talk of the Town

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Review of the Economy and Outlook

The Planning Institute of Jamaica (PIOJ) reported that the Jamaican economy contracted during the April to June 2026 quarter, reflecting the continued effects of Hurricane Melissa and drought conditions associated with the El Niño phenomenon. Economic activity remained below pre-hurricane levels, although the pace of decline slowed compared with previous quarters, suggesting that recovery efforts are gradually taking effect. The Institute emphasised that while many sectors remain under pressure, the economy is showing increasing signs of resilience, supported by public investment, reconstruction activities, and improvements in several key industries.

The Jamaican economy recorded an estimated contraction of 2.9% compared with the corresponding quarter of 2025. According to the PIOJ, the downturn reflected lower domestic demand arising from disruptions caused by Hurricane Melissa, including reduced employment, weaker consumer confidence, and lower business activity. Drought conditions linked to El Niño further affected agricultural production and water availability, exacerbating the economic challenges facing several industries.

The goods-producing industries declined by an estimated 6.4%, while the services industries contracted by 1.7% during the review period.

PERFORMANCE OF GOODS-PRODUCING INDUSTRIES

Agriculture, Forestry and Fishing

The agriculture, forestry and fishing industry experienced the sharpest decline among the major productive sectors, contracting by an estimated 17.0%. This performance reflected the lingering effects of Hurricane Melissa, together with drought conditions associated with El Niño. Farmers faced lower yields and reduced harvested acreage, resulting in an estimated 12.9% decline in the area under domestic crops.

Production of other agricultural crops fell by 8.4%, with substantial declines recorded for plantains (77.5%), yams (31.9%), fruits (30.3%), and legumes (20.4%). Traditional export crops contracted by 64.0%, largely due to declines in sugar cane production (15.0%) and banana production (72.0%). Animal farming also declined by 2.7%, reflecting lower poultry meat production (1.7%) and egg production (26.6%).

Mining and Quarrying

The mining and quarrying industry contracted by 23.9%, mainly due to lower alumina production. Alumina output declined by 30.8% due to hurricane-related operational challenges. The industry's capacity utilisation rate fell to

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27.3%, representing a decline of 12.1 percentage points.

Crude bauxite production, however, increased by 8.8% in response to stronger overseas demand. Bauxite capacity utilisation rose to 38.5%, an increase of 3.1 percentage points over the corresponding quarter of the previous year.

Manufacturing

The manufacturing sector recorded modest growth of 1.0%, supported primarily by stronger performance in non-metallic minerals and plastics production. Cement production increased by 56.8%, while clinker production expanded by 203.9%. Production of other plastic products also rose by 5.6%.

These gains were partially offset by declines in petroleum-related products, including fuel oil (28.2%), automotive diesel oil (27.4%), LPG (17.4%), turbo fuel (14.9%), and gasoline (5.4%). Production also fell in the food, beverages and tobacco sub-sector, including sugar (33.4%), broiler meat (1.4%), and carbonated beverages (7.3%).

Construction

Construction activity expanded by 0.3%, supported by stronger civil engineering works and increased government capital expenditure. Sales of construction inputs increased by 13.7%, cement supply rose by 9.7%, and asphalt sales grew by 0.2%.

Several public entities reported notable increases in capital expenditure. The National Works Agency increased spending by 405.9% to J$4.4 billion, while the National Road Operating and Construction Company (NROCC) increased expenditure by 20.2% to J$4.7 billion. Urban Development Corporation spending rose by 38.7% to J$131 million.

Despite these gains, housing stats by the National Housing Trust fell by 90.3%, although mortgage values increased by 31.6%, indicating continued activity in housing finance and ongoing construction projects.

PERFORMANCE OF SERVICES INDUSTRIES

Electricity, Water Supply and Waste Management

The electricity, water supply and waste management industry declined by 4.1%. Electricity consumption fell by 2.4%, with lower consumption recorded across most categories, including residential users (3.1%), small businesses (2.7%), medium-sized businesses (4.7%), large businesses (2.4%), and street lighting and traffic signals (4.8%). Only the largest industrial users recorded growth, with consumption increasing by 9.3%.

Water consumption declined by 7.5%, driven by reductions of 13.6% in the western division and 4.2% in the eastern division.

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Transport and Storage

The transport and storage industry contracted by 3.9%, largely because of reduced air transport activity linked to lower visitor arrivals. However, maritime transport performed better, with domestic cargo volumes increasing by 7.0%. Cargo handled at the Port of Kingston increased by 11.0%, while outport cargo rose by 2.6%.

Land transport also improved. The average number of Jamaica Urban Transit Company (JUTC) buses dispatched increased by 62.9% to 304 buses per month, contributing to a 33.6% increase in passenger trips to 6.5 million and a 36.1% increase in charter revenue to J$35.4 million.

Wholesale and Retail Trade

The wholesale and retail trade sector grew by 0.2%, supported by stronger consumer spending and related activity in construction and manufacturing. Gross sales increased by 0.9%, with notable gains in hardware, building supplies, electrical goods and machinery (12.7%), petroleum products (19.7%), motor vehicle sales and repairs (3.6%), and pharmaceuticals and cosmetics (4.4%).

Financial and Insurance Activities

The financial and insurance industry expanded by 1.9%. Growth reflected higher net interest income from increased lending activity and higher fee and commission income, driven by increased use of financial services.

Accommodation and Food Service Activities

Tourism-related activities continued to experience significant challenges. The accommodation and food service industry contracted by 12.2%, reflecting lower visitor arrivals and reduced room capacity resulting from hurricane-related damage.

Between April and May 2026, stopover arrivals totalled 382,745 visitors, representing a 19.6% decline compared with the same period in 2025. Visitor expenditure fell by 17.0% to US$578 million.

Labour Market Developments

Labour market conditions weakened during the period under review. The unemployment rate increased to 3.7%, up 0.4 percentage points from April 2025. Youth unemployment rose by 1.6 percentage points to 11.7%.

The number of unemployed persons increased by 5,000 to 55,000, while total employment fell by 25,700 persons to 1,418,800. Male employment declined by 8,500 to 761,000, while female employment fell by 17,000 to 657,900. Persons outside the labour force increased by 20,500 to 681,900.

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PERFORMANCE DURING THE FIRST HALF OF 2026

For the period January to June 2026, real GDP is estimated to have contracted by 3.5%. Goods-producing industries declined by 6.8%, while services industries fell by 2.4%.

The largest declines were recorded in mining and quarrying (23.7%), agriculture, forestry and fishing (17.6%), and accommodation and food service activities (14.4%).

Economic Outlook

The PIOJ projects that the economy will continue to contract during the July to September 2026 quarter, with GDP expected to decline by 0.5% to 1.5%. However, the Institute expects each subsequent quarter to show progressively smaller contractions as recovery efforts intensify. Growth is expected to resume during the October to December 2026 quarter.

Preliminary indicators for July 2026 show that alumina production declined by 18.1%, crude bauxite production fell by 55.7%, and airport arrivals decreased by 22.4%. Electricity consumption, however, recorded modest growth of 0.1%.

For fiscal year 2026/27, the PIOJ forecasts real GDP growth within a range of 1.0% to 3.0%. The outlook is supported by increased public investment, accelerated reconstruction activities, and the anticipated impact of the National Reconstruction and Resilience Authority.

Government capital expenditure increased by 55.8% during the April to June 2026 quarter, reaching J$13.7 billion, highlighting the significant role of public investment in supporting recovery.

Sustainable Development Goals Review

The briefing also highlighted Jamaica's Third Voluntary National Review of the Sustainable Development Goals (SDGs), presented at the United Nations High-Level Political Forum in July 2026. Jamaica reported that it is currently on track to achieve 26% of SDG targets, while 35.6% show limited progress and 38.4% are worsening. In comparison, only 15% of targets globally are on track, while 53% are progressing and 32% are stagnating or regressing.

The review identified several noteworthy achievements. Poverty declined from 21.4% in 2015 to 7.8% in 2024. Unemployment reached a record low of 3.3% in 2025, while the public debt-to-GDP ratio fell from 135.6% in fiscal year 2012/13 to 62.4% in fiscal year 2024/25. Jamaica also reported gains in environmental protection and the elimination of mother-to-child transmission of HIV and congenital syphilis.

However, important challenges remain. The maternal mortality ratio increased from 87.9 per 100,000 births in 2015 to 150

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per 100,000 births in 2024. In addition, 24.5% of young people were not employed, in education, or in training as of July 2024, and informal employment remained high at 510,000 persons in 2022.

Conclusion

The PIOJ concluded that Jamaica remains in a recovery phase following the significant disruption caused by Hurricane Melissa. While economic activity continued to contract during the April to June 2026 quarter, several indicators point to a strengthening recovery, including rising public investment, improvements in construction activity, and stabilisation in employment levels. According to the Institute, the economy is expected to return to pre-Hurricane Melissa output levels within 1.5 to 2 years, significantly faster than the original estimate of three years. Full recovery, including rebuilding housing stock, infrastructure, and livelihoods, is expected to take approximately three to five years.

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From Backyard Experiment to Emerging Agricultural Opportunity: The Journey of the Wambugu Apple in Jamaica

The successful introduction of the Wambugu apple into Jamaica represents one of the most compelling examples of agricultural entrepreneurship, innovation, and persistence in recent years. At a time when Jamaica continues to grapple with food import dependence, climate variability, and the need to diversify agricultural production, the emergence of a tropical apple variety capable of thriving under local conditions offers both symbolic and practical significance.

The story is particularly relevant following the 72nd staging of the Denbigh Agricultural, Industrial and Food Show in August 2026, where innovation, food security, climate resilience, and agribusiness opportunities featured prominently. The Wambugu apple initiative demonstrates how a determined private citizen, supported by networks of farmers and international partners, can challenge conventional assumptions about what can be successfully cultivated in Jamaica.

Latoya Johnson Panton with some ripe Wambugo apples

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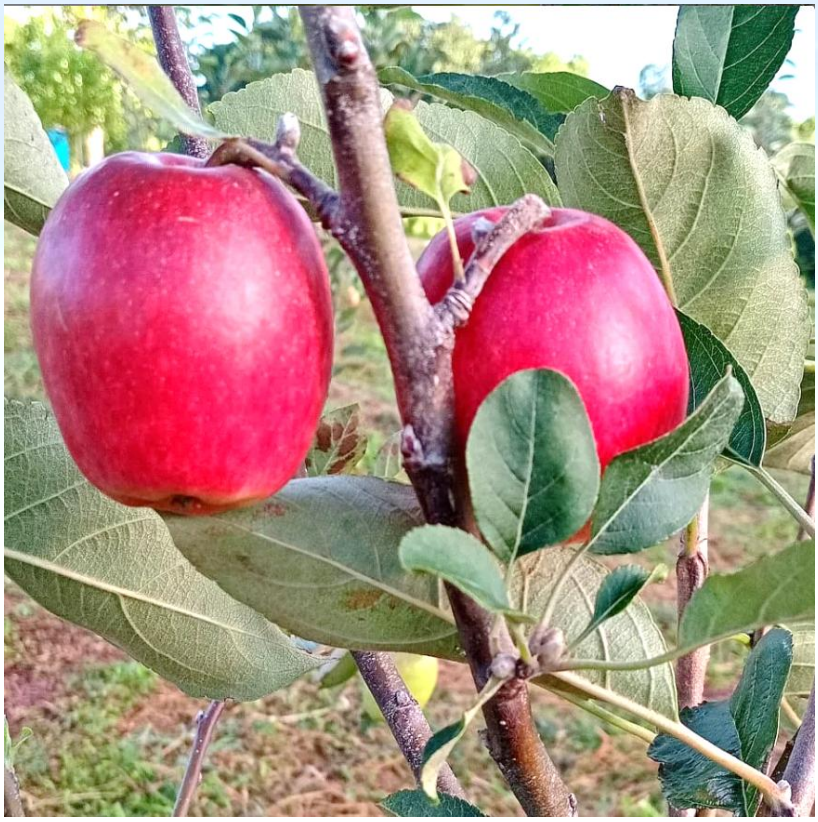
The Origins of a Vision

The journey began not as a commercial venture, but as a personal quest by Kingston and St Andrew-based organic farmer and agricultural educator Latoya Panton, who simply wanted to grow apple trees in her backyard garden. Through online research and exposure to developments in Kenya and other tropical regions, she became convinced that the Wambugu apple, a tropical apple variety developed in Kenya, could succeed under Jamaican conditions.

What started as a small gardening experiment quickly evolved into a broader vision. As Panton studied examples of tropical apple production in African countries with climatic conditions similar to those in Jamaica, she recognised the potential not merely for home gardening but also for commercial agriculture. As she reflected during her interview with the PSOJ research team in June 2026, the realisation emerged that Jamaica could cultivate a fruit long assumed unsuitable for tropical production.



Wambugo apples

This shift from personal curiosity to national agricultural opportunity became the defining feature of the initiative.

Navigating Regulatory and Logistical Challenges

The introduction of the Wambugu apple was anything but straightforward. One of

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the most significant themes emerging from Panton's account is the challenge of navigating regulatory and logistical systems when introducing new agricultural products.

After applying for import permits, Panton assembled a group of interested Jamaicans who sought to collectively import seedlings. The first major shipment suffered a serious setback when Jamaican authorities confiscated and destroyed imported seedlings after raising phytosanitary compliance concerns. Despite import permits being in place, the incident triggered a suspension of permits and initiated a lengthy administrative process involving Jamaican and Kenyan authorities.

Rather than abandoning the initiative, Panton embarked on an extensive campaign of follow-up and advocacy. She contacted Kenya's phytosanitary authorities (KEPHIS), officials at the Kenyan Ministry of Foreign Affairs, and the Kenyan Embassy in Cuba, while simultaneously engaging Jamaican authorities. Her persistence ultimately resulted in the restoration of import permissions and the successful clearance of a subsequent shipment.

Her experience highlights ongoing concerns within Jamaica's business environment regarding approval timelines, administrative complexity, and transaction costs. Panton reported that securing her initial apple import permit required approximately fifteen months, while separate applications for other agricultural products have remained unresolved for several years. These experiences raise broader policy questions about how Jamaica can facilitate innovation while maintaining essential biosecurity safeguards.

Establishment of the First Wambugu Apples

The breakthrough came in 2022 when a successful shipment of Wambugu apple seedlings arrived in Jamaica and was distributed among a growing network of interested growers.

According to Panton, scepticism was widespread. Many farmers and agricultural stakeholders doubted that apples could thrive in Jamaican conditions. Nevertheless, early adopters began experimenting with the crop across multiple parishes. The subsequent results challenged long-standing assumptions about tropical fruit production.

By 2025, the Jamaica Observer reported that Wambugu apple trees had survived and flourished in several locations, demonstrating their adaptability to Jamaica's climatic conditions. The variety was specifically developed to tolerate both warm and cooler environments, making it particularly suitable for tropical agriculture. The trees can produce fruit in approximately 9 to 12 months when properly managed and may yield hundreds of apples per tree as they mature.

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Significantly, some of the earliest commercial successes were recorded in Manchester, where one farmer reportedly harvested Jamaica's first commercial crate of Wambugu apples. Additional positive results have since been reported from St Elizabeth, Westmoreland, St Catherine, Portland, Red Hills, Long Mountain, and Kingston communities.

Building a Community of Practice

Recognising that formal research on tropical apple cultivation in Jamaica was still limited, Panton established a collaborative knowledge-sharing network among growers. Every purchaser of Wambugu apple seedlings is invited to join a WhatsApp group where farmers, backyard gardeners, agronomists, and experienced growers from Kenya and other African countries exchange information. The network now includes participants from Kenya, Zimbabwe, Botswana, the Democratic Republic of Congo, and various Caribbean territories.

This informal but highly functional community of practice has become a critical mechanism for transferring technical knowledge, troubleshooting production challenges, and gathering data on local performance.

The initiative demonstrates how digital tools and farmer-to-farmer learning can accelerate the adoption of innovation in emerging agricultural sectors.

Commercial Potential and Value Addition

Perhaps the most significant aspect of the Wambugu apple story is its economic potential. The variety offers several features attractive to commercial agriculture. According to industry information published by the Jamaica Observer, approximately 1,200 trees can be planted per acre, and mature trees can remain productive for decades, potentially generating substantial yields.

Panton believes the greatest opportunity extends beyond fresh fruit sales. Drawing on lessons from Kenya, she points to integrated value-chain development models in which producers are guaranteed markets and supported by processing industries. Among the opportunities identified are fresh fruit sales, apple juice production, freeze-dried apple snacks, apple cider products, export-oriented fruit processing and regional seedling production and distribution.

Freeze-drying, in particular, emerged during the interview as a significant area of interest. Panton argued that Jamaica's annual losses from surplus fruit production could be substantially reduced through investment in preservation technologies that retain nutritional value and extend shelf life.

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Such value-added opportunities align closely with Jamaica's broader objectives of strengthening agro-processing and increasing agricultural exports.

Denbigh 2026 and Growing National Awareness

The 72nd Denbigh Agricultural, Industrial and Food Show provided an important platform for increasing public awareness of the Wambugu apple.

backyard gardeners has been strong, broader commercial adoption will likely depend on increased visibility, research validation, and continued farmer engagement.

Research, Data Collection and Future Development

Several important research questions remain. Growers continue to collect data relating to elevation, temperature, water

Panton viewed Denbigh not simply as an exhibition opportunity but as a chance to showcase the crop's potential to farmers, policymakers, investors, and consumers. She independently financed participation and sought to showcase practical evidence that tropical apple production is achievable in Jamaica.

This public demonstration comes at a critical stage. While interest among

requirements, disease pressures, and productivity across different regions.

According to Panton, the College of Agriculture, Science and Education (CASE) has reportedly begun examining the commercial viability of Wambugu apple cultivation under Jamaican conditions. These studies may provide critical evidence to guide future investment and policy decisions.

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Parallel efforts are also underway to establish local propagation capabilities. Currently, Jamaica remains dependent on imported seedlings because the variety remains under patent protection. Obtaining authorisation to propagate seedlings locally would significantly reduce costs, improve availability, and strengthen Jamaica's position as a regional distribution hub.

Notably, Panton envisions Jamaica becoming a centre for Wambugu apple seedling production, serving not only local farmers but also markets across the Caribbean and Latin America.

Conclusion

The establishment of the Wambugu apple in Jamaica is a story of persistence, experimentation, and private-sector initiative. Driven largely by the determination of a single entrepreneur and supported by a growing network of farmers and international partners, the initiative has advanced from a backyard gardening project to an emerging agricultural opportunity with potential implications for food security, import substitution, agribusiness development, and exports.

The experience also highlights important lessons for Jamaica's development agenda. Innovative agricultural ventures require efficient regulatory systems, stronger support for research and commercialisation, and mechanisms that help farmers manage risk when adopting new crops.

As Jamaica reflects on the themes highlighted at Denbigh 2026, the Wambugu apple offers an instructive case study of how agricultural diversification can emerge from grassroots innovation. Whether the crop ultimately becomes a major commercial success remains to be seen. However, its journey thus far demonstrates that with persistence, collaboration, and strategic support, seemingly improbable agricultural ambitions can take root and flourish on Jamaican soil.

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Annual General Meeting

SAVE THE DATE

Tuesday,
September 15, 2026

Eligibility Matters

- **Only members in good standing may nominate, vote, or be nominated.**
- **All outstanding fees must be settled by Friday, July 31, 2026.**
- **Proof of payment should also be submitted to the Accounts & Membership Team:**

accounts@psoj.org |
receivables@psoj.org

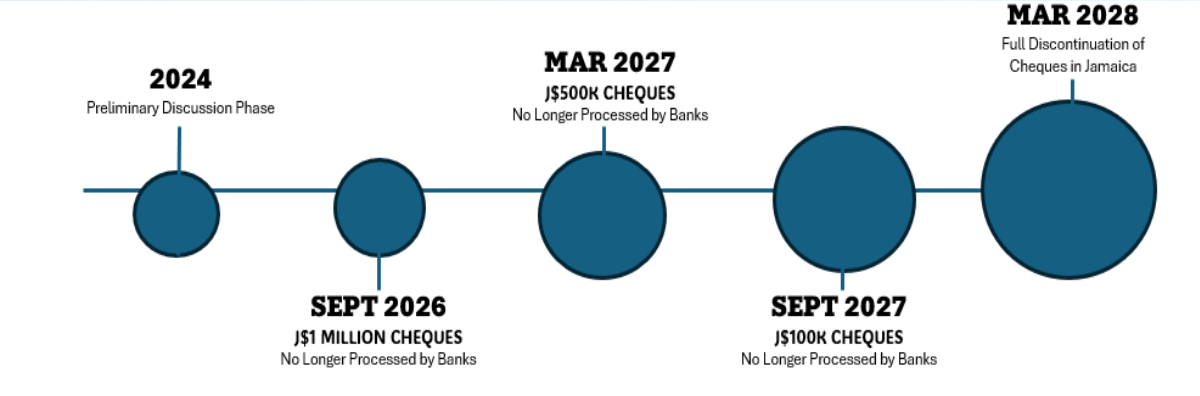
or reach out to your Member Services Representative.

Contact Us

Settle early to avoid delays and secure your eligibility!

Cheque-Ing Out: Jamaica's Road to the Phased Elimination of Cheques

In 2024, the Bank of Jamaica (BOJ), in collaboration with the Jamaica Bankers' Association (JBA) began preliminary discussions and embarked on a three-year initiative for the phased elimination of cheque usage in Jamaica. With the phased implementation now fully underway, commercial banks and deposit taking institutions such as the Bank of Nova Scotia, JMMB Bank, First Global Bank as well as government agencies such as the Tax Administration of Jamaica (TAJ) recently issued official statements advising the public that Jamaican-dollar cheques valued at J$1 million or more will no longer be processed by banks, with a commencement date set for September 1, 2026. Thereafter, the limit is expected to be reduced to J$500,000 by March 2027 and further reduced to J$100,000 by September 2027, before full discontinuation in March 2028.



Rationale for the discontinuation of cheques

Decline in Cheque Usage in Jamaica

The primary rationale and the formal push for the discontinuation of cheques in Jamaica was based on the global decline in the use of cheques as a payment method and the gradual increase in the use of more electronic/digital payment methods such as Real Time Gross Settlement (RTGS), online banking transfers, Automated Clearing House (ACH), mobile wallet options and the BOJ's more recent Jamaica Digital Exchange (JAMDEX) digital currency, which was officially launched in mid-2022. The JamClear-RTGS system, which is owned and operated by the BOJ, became operational in February 2009 and is used to process large value (J$1 million and over) and time sensitive transactions such as real estate transactions, urgent corporate transactions and other high value sales and purchases. Since then, additional upgrades were made to the

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JamClear-RTGS system during the last quarter of 2025.

When collated by the PSOJ, data sourced from the BOJ for the January 2010 to April 2026 period revealed a noteworthy decline in the volume of cheque transactions and a gradual increase in RTGS (JamClear-RTGS) transactions over the 16-year review period (Figure 1 and Figure 2).

appeared to follow a more cyclical pattern, with a rise-and-fall pattern over time, which could be associated with external forces/shocks such as the COVID-19 pandemic during the latter part of 2019 to 2021 and more recent shocks such as Hurricane Melissa in October 2025.

Discussions between the BOJ and JBA

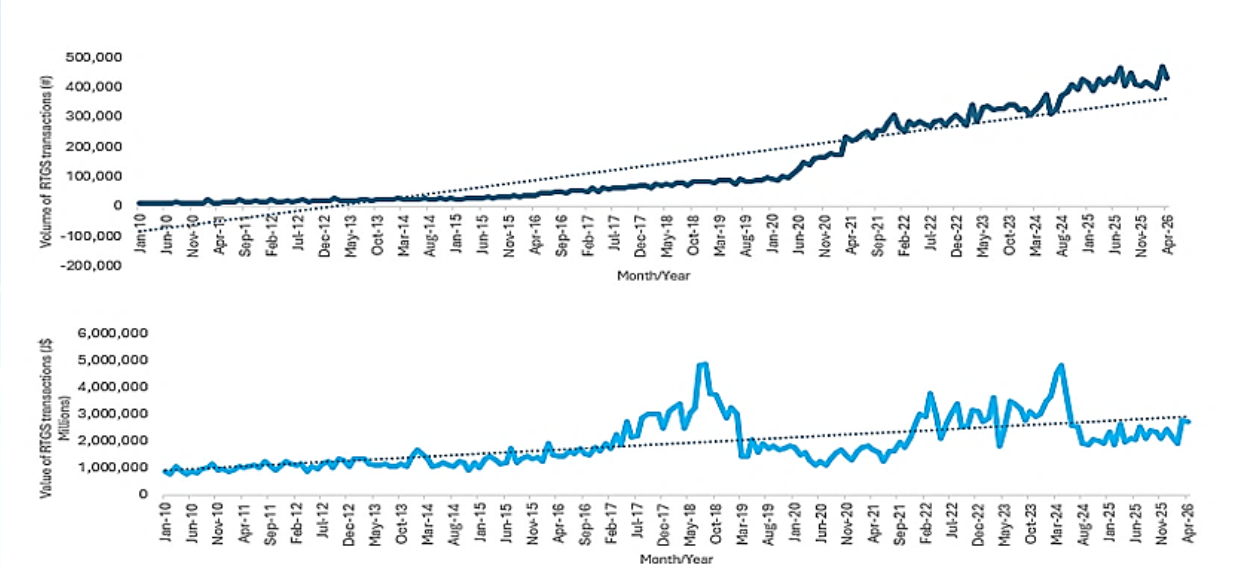

Figure 1: Volume and value of RTGS transactions processed in Jamaica, January 2010 to April 2026

A total of 27,307,164 RTGS (high-value real-time electronic) transactions were processed across the January 2010 to April 2026 period, valued at almost J$375 trillion (Figure 1). Despite slight fluctuations over time, Figure 1 revealed a positive (relatively linear) trend with the volume of RTGS transactions increasing annually, with an average annual growth rate (compounded) of approximately 26% over the 16-year investigative period. The Jamaican dollar value of RTGS transactions observed for the period

regarding the phased elimination of cheques commenced in 2024. However, the decline in cheque usage began prior to 2024, as shown in Figure 2.

A total of 111,619,448 cheques were processed by commercial banks in Jamaica across the January 2010 to April 2026, with transactions valued at approximately J$15.9 trillion. Unlike RTGS transactions (shown in Figure 1), Figure 2 highlighted slight fluctuations but exhibited a negative or downward linear trend in the volume and value of cheques.

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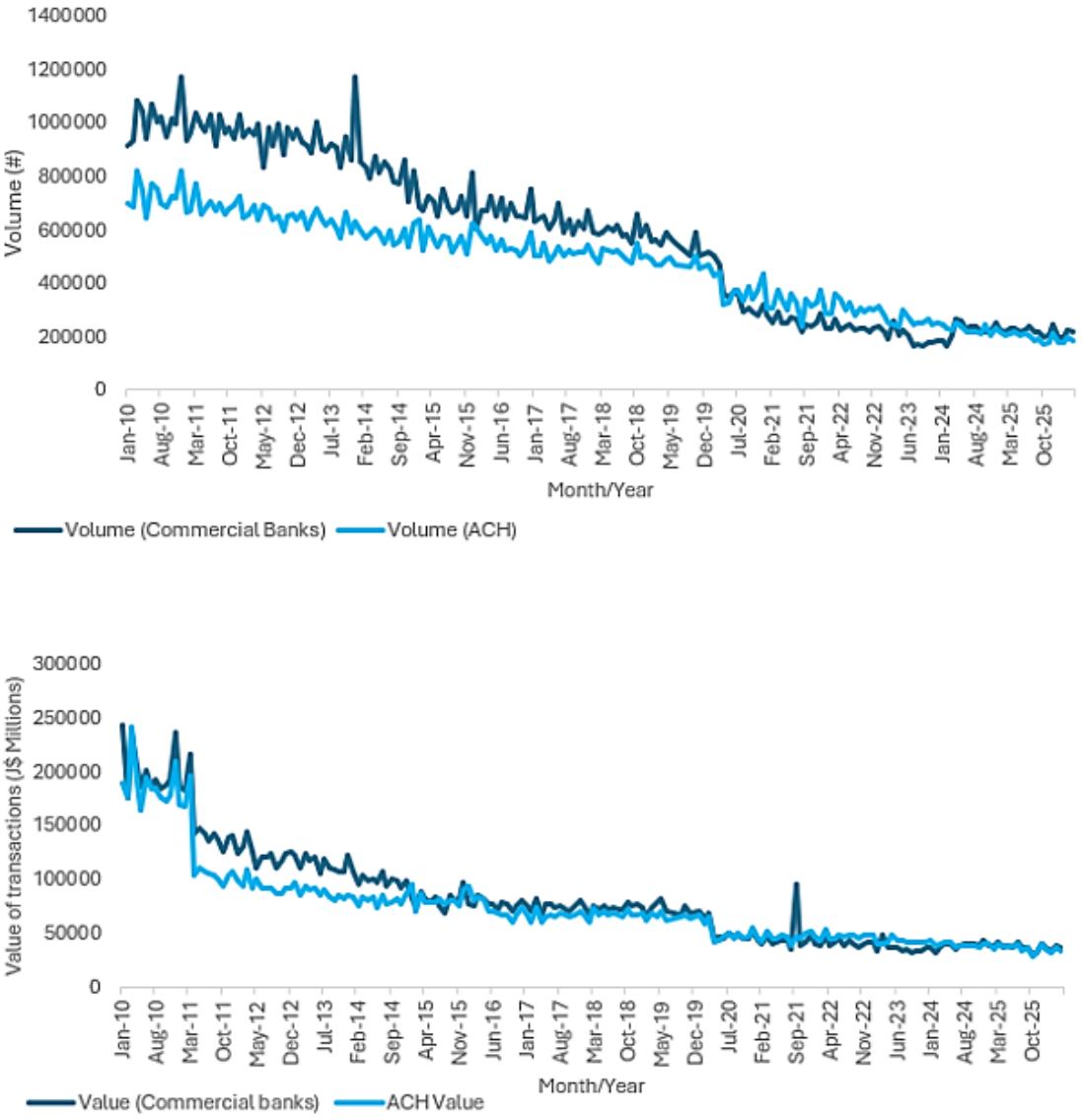

Source of Data: Bank of Jamaica, 2026

Figure 2: Volume and value of commercial bank cheque transactions processed in Jamaica, January 2010 to April 2026

An average annual decline of eight percent (8%) was observed for the volume of cheques (commercial) processed over the January 2010 to April 2026 review period. Notable declines were observed for the 2018-2019 period (31% reduction) and for the 2020-2021 (30% reduction) period. A similar trend was observed for ACH cheques (an electronic form of the paper-based cheque, which is digitally processed through the Automated Clearing House (ACH) network), with the volume and value of these transactions gradually declining over time (Figure 2).

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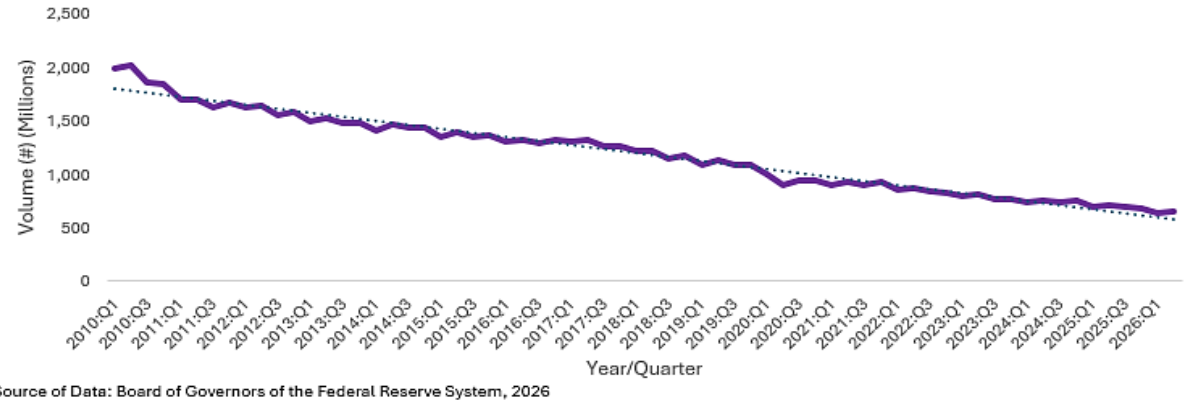
Decline in Cheque Usage Internationally

The transition from the use of paper cheques to more electronic payment methods is not unique to Jamaica. Several countries, especially those within Europe, have already discontinued or are in the process of phasing out cheques. Countries such as Finland, Poland and New Zealand have eliminated cheques completely, with Finland being amongst the first set of countries to discontinue cheques in the early 1990s. Other countries such as Australia, Germany and those within the Caribbean such as Barbados and Bahamas have started to adopt a phased approach to the elimination of cheques, with timelines for discontinuation ranging from 2027 to 2029/2030.

The Board of Governors of the Federal Reserve's (the US central bank) routinely publishes statistical data on cheque transaction volumes on its website . When analyzed by the PSOJ, a negative slope similar to the pattern observed for Jamaica was revealed, indicating a gradual decline in the volume of commercial cheque transactions processed in the US across the first quarter of 2010 to the second quarter of 2026 (2010.Q1 to 2026.Q2) (Figure 3).



Source of Data: Board of Governors of the Federal Reserve System, 2026

Figure 3: Volume of commercial bank cheque transactions processed in the United States of America, Q1 2010 to Q2 2026

The United States of America (one of Jamaica's major trading partners) has not discontinued the use of paper-based cheques entirely. However, the US government has also started the phased elimination of paper cheques for federal payments and receipts, noting the increased lag time, high costs and the increased risk of theft and fraud associated with the processing of cheques, relative to more electronic/digital "real time" payment methods.

On March 25, 2025, the US government issued Executive Order 14247 : "Modernizing Payments to and From America's Bank Account", which officially announced the phasing out of paper cheques for all Federal disbursements

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(inclusive of benefits, vendor and intra-governmental payments and tax refunds), effective September 30, 2025. Section 1 of Executive Order 14247 states:

"The continued use of paper-based payments by the Federal Government, including checks and money orders, flowing into and out of the United States General Fund, which might be thought of as America's bank account, imposes unnecessary costs; delays; and risks of fraud, lost payments, theft, and inefficiencies. Mail theft complaints have increased substantially since the COVID–19 pandemic. Historically, Department of the Treasury checks are 16 times more likely to be reported lost or stolen, returned undeliverable, or altered than an electronic funds transfer (EFT). Maintaining the physical infrastructure and specialized technology for digitizing paper records cost the American taxpayer over $657 million in Fiscal Year 2024 alone."

Major advantages and disadvantages of cheques

For decades, cheques have been a well-established payment method used and accepted by several private sector businesses, non-profit/charitable organsations and governmental Ministries, Departments and Agencies (MDAs) in Jamaica. Cheques have traditionally been used for business-to-business payments, supplier and vendor payments, property related transactions and for the payment of salaries, professional fees and benefits.

Micro, Small and Medium Enterprises (MSMEs) (especially those with paper-based or not fully digitized accounting systems), attorneys, legal professionals and other stakeholders involved in property purchases, land transfers, conveyancing transactions and escrow/trust account payments, have traditionally used manager's cheques, noting their benefit in providing a strong paper trail and serving as a physical signed record, useful for auditing and account reconciliation.

With the decline in cheque usage both locally and internationally, several private and public sector bodies have been working assiduously to shift towards more electronic/digital payment methods. Within the public sector, the TAJ in its recent press statement announced plans to reduce and eventually discontinue the acceptance of cheques from government, departments and taxpayers and the payment of tax refunds via cheque. By the final March 2028 deadline, all refunds will be processed through direct bank transfers or returned to customers' credit cards. The TAJ has strongly urged taxpayers to begin making payments by debit/credit card and/or through the TAJ website or mobile application.

The Ministry of Labour and Social Security (MLSS) has historically used cheques to pay beneficiaries of PATH (Programme of

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Advancement Through Health and Education), disaster relief and other social security programmes. In 2020, media reports indicated that approximately 85% of PATH beneficiaries had received social security benefits by cheque. Following the passage of Hurricane Beryl in 2024, the Office of the Prime Minister (OPM), through the MLSS, reported that 3,300 cheques valued at J$260.5 million were distributed to individuals across affected parishes, signaling the continued use of cheques for emergency housing and recovery grants. Despite the continued use of cheques, the ministry launched the PATH Direct Deposit Pilot in 2023 and has since increased its efforts to assist beneficiaries to transition from cheque to electronic payments. The inconvenience, the slow turnaround time for the manual processing and clearing of funds (especially in emergency situations); the risks associated with lost, misplaced, stolen/intercepted or stale dated cheques and the higher costs associated with the printing, handling, transportation and manual verification of cheques, relative to more electronic payment methods are among the major disadvantages to cheques. Besides the decline in usage, the lag time for processing and the relatively high administrative/operating costs borne by banks, the BOJ reported that cheque fraud accounted for J$401 million of the total fraud amounts reported by licensees at end-2023, making it the second largest source of financial losses after credit and debit card fraud losses.

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During a recent (August 2026) meeting with the PSOJ, JBA Chief Executive Officer, Mrs. Barbara Hume, acknowledged the risks associated with eliminating cheques and shifting to digital payments. Notable risks mentioned included the incorrect entry of beneficiary details, system outages, fraud and other cyber-related risks. However, she urged private sector businesses to weigh these risks against the benefits of eliminating cheques, including reduced paper handling, simpler reconciliation, lower exposure to cheque fraud, faster settlement and greater payment certainty. Mrs. Hume further encouraged businesses, particularly heavy users of high-value Jamaican-dollar cheques to develop a “cutover” plan and “Business-Readiness Checklist” (BRC). The BRC should ideally map incoming and outgoing cheques of J$1 million and above, identify the replacement payment methods or strategies to be used, such as

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RTGS or ACH, and clearly outline the communication plan for informing staff, suppliers and customers of upcoming deadlines, test reconciliation processes, exception-handling requirements, and escalation procedures. Such a checklist would help businesses and public sector bodies to develop a practical action plan to protect liquidity, supplier continuity and payment integrity and ensure a relatively smooth transition.

Implications and Groups most likely to be affected by the Discontinuation of Cheques

The transition away from cheques should prove less difficult for large companies and corporate firms with already established digital payment systems. However, the complete elimination of Jamaica dollar cheques is likely to have more of an impact on Micro, Small and Medium Enterprises (MSMEs), tradesmen and informal workers, the elderly and individuals without a bank account.

MSMEs, particularly older "mom-and-pop" establishments and those with limited technological capacity may face higher short to medium term costs and operational challenges as they transition from cheques to digital payment systems. Tradesmen without bank accounts may also find it difficult to receive payments if customers and businesses move exclusively to electronic methods. Elderly people, social security beneficiaries and persons with disabilities (PWD) may face additional barriers due to limited digital literacy, restricted access to technology, accessibility challenges or a general preference for traditional payment methods. "Unbanked" individuals are likely to be the most affected, as removing cheques would further reduce their payment options and could increase financial exclusion for those without access to formal banking services.

MSMEs, particularly older "mom-and-pop" establishments and those with limited technological capacity, may face higher short to medium-term costs and operational challenges as they transition from cheques to digital payment systems.

Data from the BOJ's 2023 National Financial Inclusion: Demand Side Study revealed that during the first quarter of 2023 almost 23% of adults in Jamaica were classified as being "unbanked" which meant that they did not have a bank account at a formal financial institution. The study found a statistically significant association between financial inclusion, socio-economic position and urban-rural location, with individuals from lower

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socio-economic groups and those residing with rural areas more likely to be "unbanked", compared to those from higher socio-economic groups and individuals residing within more urban areas. The study found that the "unbanked", not having access to a bank account, were heavy users of cash for all their transactions.

Camille Facey, Chair, PSOJ Corporate Governance & Listed Companies Committee

Mrs. Camille Facey, Chair of the PSOJ Corporate Governance and Listed Companies Committee noted that "the discontinuation of cheques will represent a major change in how business is done in Jamaica as many payments are done by cheque." She noted that "there are still many unbanked tradesmen and individuals who, in the absence of payment by cheque, will insist on payment by cash. It will be imperative that there be a national program to get all unbanked persons into the banking system to enable the smooth transition away from cheques."

Mrs. Facey further noted that "it will also be imperative that all government agencies who would normally accept payment by Managers' cheques ensure that they have straightforward, easily understood electronic banking systems in place to enable real-time receipt and processing of payments. This is especially so in instances where late payments attract penalties, for example the payment of taxes and duties on property transactions."

The Way Forward

The switch from cheques to more digital payment methods should ideally assist private businesses, public sector bodies, individuals and the banking sector in general, as it relates to the faster processing of payment transactions and the reduction in theft and cheque fraud. From a policy perspective, the phasing out of cheques in Jamaica is likely to impact policies and legislation such as the Banking Services Act, the Payment Clearing and Settlement Act (PCSA) and to a greater extent the Bills of Exchange Act. The Bills of Exchange Act was enacted in 1893 and appears to have been amended once, on January 1,1968. Part III ("Cheques on a Banker") of the Act gives the formal definition of a cheque and outlines procedures for the crossing and

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general handling of cheques. With the elimination of Jamaican dollar cheques by March 2028, it is expected that sections, especially Part III of the Act, will need to be either amended or repealed to reflect the impending changes.

The phased approach being implemented by the BOJ and the JBA is welcomed and should give businesses and MDAs sufficient time to inform customers and adapt to the upcoming changes. However, the transition to digital payment methods also has its own share of risks and will require businesses, especially MSMEs and heavy cheque users, to plan ahead and develop transitional continuity plans which include the:

- Communication of changes and deadlines to staff and customers;
- Establishment of cheque replacement digital payment methods such as RTGS and/or ACH;
- Establishment of robust internal electronic validation mechanisms to replace physical cheque reconciliation and audit trails;
- Implementation of internal verification systems such as dual authorisation and multi-factor password authentication, especially for high-risk/high-value payments;
- Routine monitoring and rapid escalation of failed payments and suspicious or unusual transactions to banks.

The BOJ's 2023 National Financial Inclusion: Demand Side Study highlighted the tendency for "unbanked" survey respondents to be from lower socio-economic status groups, their generally negative perceptions of the banking system/access to banking services and their inability in some instances to satisfy the requirements of starting and operating a bank account (e.g. a current government-issued photo ID, Tax Registration Number-TRN, proof of address). Thus, a robust and continuous public sensitization campaign around the topic is required, especially targeted at the elderly, unbanked individuals, PWD and those with a preference for cheques and/or cash. Individuals and business owners will need to be properly educated on upcoming deadlines, how they will be affected by the process, possible cyber security risks and digital safety measures and the importance of having a bank account and a verifiable and current means of identification.

The JBA has acknowledged the segments of the population ("elderly, rural, overseas and digitally hesitant clients") most likely to be impacted by the transition and has assured that "no client should be left behind." To ensure that no one is in fact left behind, especially the most vulnerable members of society, the BOJ/JBA and stakeholders within the financial and banking sector should consider accommodating or providing exceptions in cases which fall outside the norm. As

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the United States transitions from the use of cheques, the US government has acknowledged that some individuals and groups may face challenges transitioning fully to electronic payment systems and has provided "Exceptions and Accommodations for the Phase Out of Paper Check Disbursements and Receipts." Section 4 of Executive Order 14247 notes that limited exceptions may be granted where electronic payment and collection methods are not feasible. Among the exceptions included in the Order were exceptions for "individuals who do not have access to banking services or electronic payment systems" and "certain emergency payments where electronic disbursement would cause undue hardship."

Whilst the elimination of cheques has the potential to improve the level of efficiency and Jamaica's digital transformation, if not properly managed, the transition could have deleterious social implications for the elderly, residents in rural areas, low-income individuals and small business owners who continue to rely on cheques as their primary payment and collection method. Without adequate digital literacy programmes, affordable access to technology, reliable internet connectivity, and suitable alternatives for vulnerable groups, the move away from cheques could inadvertently exclude segments of the population from fully participating in the financial system. As such, any transition strategy must prioritize financial inclusion, public education and targeted support measures to ensure that no group is left behind in Jamaica's shift toward a digitally enabled economy.

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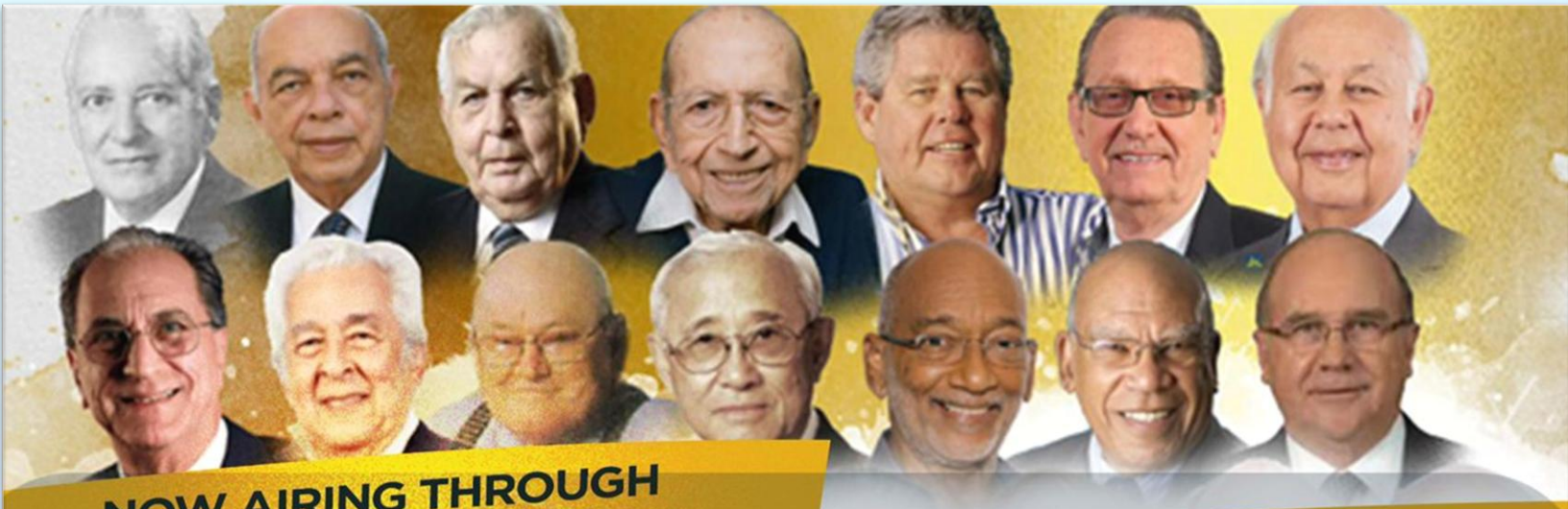

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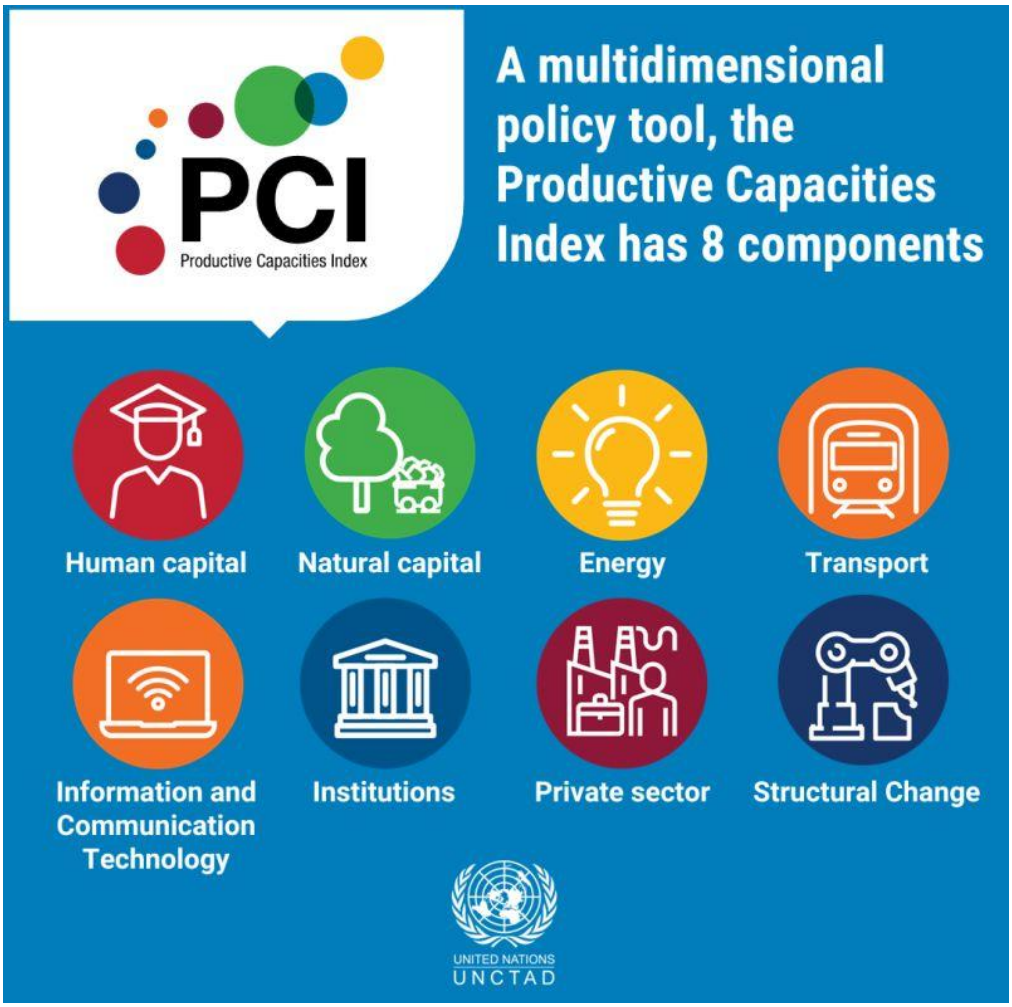
SPECIAL REPORT

Strengthening Human Capital Quality to Enhance Jamaica's Productive Capacities

The United Nations Conference on Trade and Development (UNCTAD) Productive Capacities Index (PCI) provides a comprehensive measure of a country's ability to achieve sustainable economic growth and structural transformation. The PCI is scored on a scale of 0 to 100 and comprises eight core dimensions, one of which is Human Capital. Within this pillar, the indicator *"Expected Years of Schooling"* plays a particularly influential role. It measures the total number of years of education that a child entering the school system can expect to receive if current enrolment patterns remain unchanged throughout their educational life cycle. As a forward-looking indicator, it serves as a proxy for the future stock of human capital, workforce readiness, and a country's capacity to adapt to technological and economic change.



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UNCTAD's methodology assigns considerable importance to this indicator, with a statistical loading of approximately 0.89 within the Human Capital dimension. Consequently, improvements in expected years of schooling can significantly influence a country's human capital performance and, by extension, its overall productive capacity. Unlike the indicator *Mean Years of Schooling*, which reflects educational attainment among adults aged 25 years and older, *Expected Years of Schooling* captures the anticipated educational trajectory of future generations and provides insight into the prospective quality and availability of skills within the labour market.

Improvements in expected years of schooling can significantly influence a country's human capital performance and, by extension, its overall productive capacity.

Jamaica performs relatively well on this metric. A child entering the Jamaican education system can expect to complete approximately 11.4 years of schooling by the age of eighteen. This contributes positively to the country's Human Capital pillar and supports Jamaica's overall PCI score of 46.9, which ranks the country 109th among 194 economies globally. The relatively high expected duration of schooling reflects substantial access to formal education and demonstrates the country's success in maintaining enrolment across the primary and secondary education levels.

Evidence from Jamaica's Survey of Living Conditions further reinforces this positive picture of educational access. Completion rates stand at 98.5 per cent at the primary level, 94.8 per cent at the lower secondary level, and 85.8 per cent at the upper secondary level. These figures indicate that the majority of students remain within the education system through the critical stages of formal schooling. High completion rates suggest that Jamaica has established a strong foundation for literacy development, workforce participation, and human capital accumulation.

However, despite these encouraging outcomes, significant disparities remain. Educational attainment varies considerably across socioeconomic groups. At the upper secondary level, completion rates reach 96.9 per cent among students in the richest wealth quintile but decline to 74.8 per cent among those in the poorest quintile. Gender disparities are also evident, with female completion rates averaging 89.1 per cent compared with 82.0 per cent for males. These inequalities are particularly concerning because completion of upper secondary education

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is closely associated with access to tertiary education, technical and vocational training, and opportunities for formal employment.

More importantly, educational access does not necessarily translate into educational quality or productivity outcomes. While Jamaican students spend an average of over 11 years in the education system, evidence from complementary international education indicators suggests that learning-adjusted years of schooling decline to approximately 6.7-7.1 years once actual learning outcomes are taken into account. This gap between school attendance and effective learning points to a structural challenge within the education system. Students may be progressing through formal levels of education without acquiring the competencies, technical skills, and specialised knowledge required for participation in increasingly complex and technology-driven sectors of the economy.

This learning gap constrains Jamaica's ability to leverage its educational achievements into higher productivity, innovation, and economic diversification. Although the country possesses a workforce with relatively strong foundational literacy and educational participation, deficiencies in learning quality limit its competitiveness in advanced manufacturing, digital services, science and technology industries, and other high-value sectors. As a result, the potential gains associated with Jamaica's relatively strong schooling indicators are not fully realised in economic output and productive capacity.

To strengthen Jamaica's Human Capital pillar and improve its overall PCI performance, policymakers should prioritise a transition from an access-centred education strategy to a quality- and outcomes-driven human capital development framework. While maintaining high levels of enrolment and completion, greater emphasis should be placed on improving learning outcomes, closing socioeconomic achievement gaps, and aligning education with labour market demands.

By addressing the gap between years spent in school and actual learning outcomes, Jamaica can more effectively convert educational access into productive human capital. Such reforms would not only enhance the Human Capital component of the UNCTAD Productive Capacities Index but would also strengthen the country's long-term competitiveness, productivity growth, and prospects for sustainable economic transformation.

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