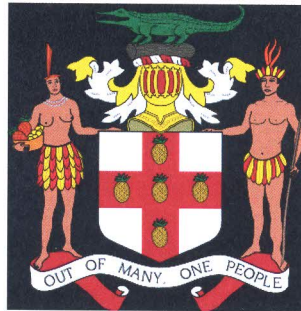


HEADS OF AGREEMENT

For the

CONTRACT PERIOD 2015-2017



Concluded between

THE GOVERNMENT OF JAMAICA

On the one hand

And

THE JAMAICA CONFEDERATION OF TRADE UNIONS

REPRESENTING PUBLIC SECTOR WORKERS

ON THE OTHER HAND

Signed on

Tuesday 11th day of August, 2015

at the

Office of the Prime Minister

Jamaica House

HEADS OF AGREEMENT CONCLUDED BETWEEN THE MINISTRY OF FINANCE AND PLANNING ON BEHALF OF THE GOVERNMENT OF JAMAICA (GOJ) AND THE JAMAICA CONFEDERATION OF TRADE UNIONS (JCTU) ON BEHALF OF MEMBER UNIONS REPRESENTING CERTAIN ANNUALLY, WEEKLY, DAILY AND HOURLY PAID WORKERS IN THE PUBLIC SERVICE FOR THE CONTRACT PERIOD APRIL 1, 2015 TO MARCH 31, 2017 SIGNED ON AUGUST 11th, 2015.

1. We the undersigned PARTIES hereafter referred to as “The PARTNERS” do recognize and acknowledge that significant progress has been made by the Government of Jamaica (GOJ) in improving the state of the economy since the 2012-2015 Heads of Agreement was signed on 6th day of March 2013. This is evidenced by, *inter alia*:
 - 1.1. The GOJ honouring its commitment to reduce inflation to within a range of 7% to 9%. At the end of Fiscal Year 2014/ 2015 the inflation rate had declined to 4.0%, the lowest it has been in 48 years;
 - 1.2. A notable reduction in the current account of balance of payment deficit from 13.4% of Gross Domestic Product in 2011/2012 to 5.3% in 2014/15;
 - 1.3. The commitment to eliminate the fiscal deficit by maintaining a primary surplus of 7.5%;
 - 1.4. The implementation of tax reform to eliminate incentives for a few sectors and provide an equitable system for all sectors which rewards increased employment and investment;
 - 1.5. The decline in the unemployment rate from 16.3% in April 2013 to 13.2% in April 2015 with the unemployed labour force declining by 43, 100 persons over the period;
 - 1.6. The GOJ honouring its commitment not to undertake job cuts in the public sector except as may arise from the process of public sector modernization and transformation;
 - 1.7. The GOJ honouring its commitment to maintain a protected floor on social spending. During FY 2013/14 and FY 2014/15, the floor on social spending was budgeted at \$20.7 billion and \$21.7 billion, respectively whereas actual spending on the programmes captured within the floor amounted in these years to \$20.9 billion and \$23.2 billion, respectively.
2. The PARTNERS also acknowledge that progress has been made during the country’s period of adjustment to provide support to the most vulnerable in society through:
 - 2.1. The increase of the payments made to PATH programme beneficiaries;

