



TWELVE MONTHS FY2022/23 FISCAL SNAPSHOT

RELEASED NOVEMBER 2023

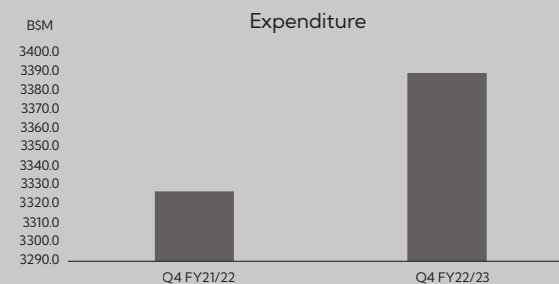
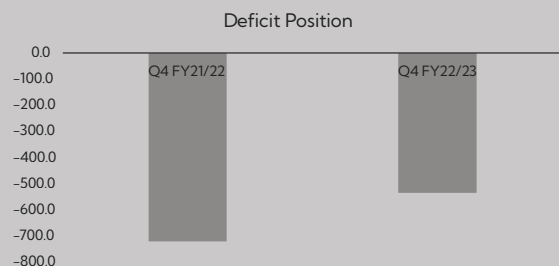
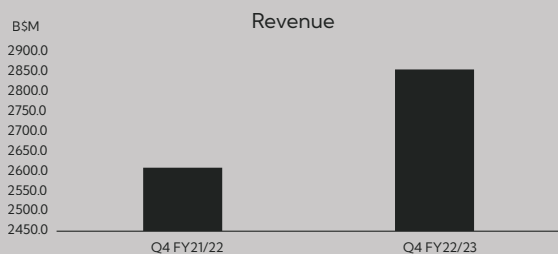
ECONOMIC OUTLOOK

During fiscal year 2022/23, the Bahamian economy continued to record a strong tourism-led expansion, despite the persistence of global inflationary pressures arising from ongoing geopolitical tensions which invoked a bias towards stricter monetary policies among the advanced nations. Tourist arrivals for the twelve months through June 2023 reached 9.0 million, with a significant shift towards sea ar-

rivals, resulting in a 113.9 percent overall increase compared to the prior year. Strong tourism activity led to better employment conditions, with a notable 7.4 percent decrease in unemployment since May 2019 and increased consumer spending, which resulted in a 0.1 percent increase in consumer prices in June 2023 compared to the prior month.

FISCAL BALANCE

Preliminary data on Central Government's operations for the FY2022/23 show a net deficit of \$533.4 million, a decrease of \$184.0 million (25.6 percent) from the \$717.4 million deficit in the year prior.



TAX REVENUE PERFORMANCE

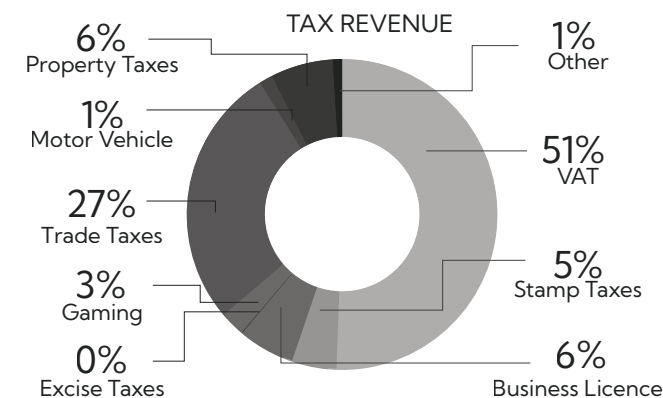
Tax collections rose \$312.0 million, a 14.4 percent increase to \$2,474.1 million, representing 97.5 percent of the budget target. Improvements were noted for Value Added Tax (\$116.2 million), departure tax (\$87.3 million), excise duties (\$75.9 million), property tax (\$14.5 million), and licenses for specialized business (\$28.5 million).

NON-TAX REVENUE SUMMARY

Non-tax revenue collections totaled \$380.4 million, a decrease of \$66.4 million (14.9 percent) from the prior year. Notably there were declines of \$35.8 million in miscellaneous and unidentified revenue, and \$18.2 million in property income.

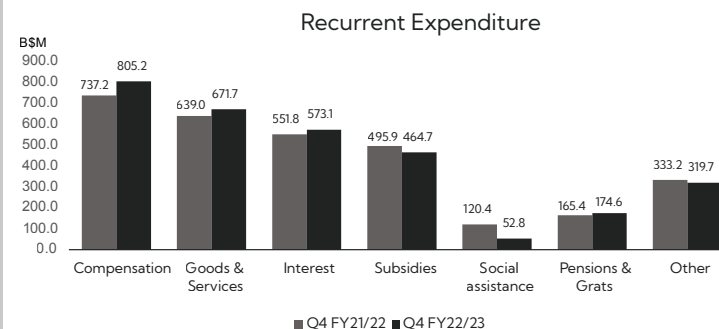
REVENUE

Revenue collection for the year totaled \$2,855.8 million, surpassing the prior year collections by \$246.5 million (9.4 percent). Revenue receipts benefited from the continued surge of visitor activity within the tourism sector as demand persists. During the quarter, Value Added Tax totaled \$1,252.0 million, taxes on international trade and transactions amounted to \$675.4 million, property tax collections were \$161.5 million, and non-tax revenues equated \$380.4 million.



EXPENDITURE

Aggregate expenditure increased by \$62.5 million (1.9 percent) to \$3,389.2 million, accounting for 98.7 percent of the total budget target. During the year, compensation of employees totaled \$805.2 million, public debt interest payments amounted to \$573.1 million, subsidies were provided in the amount of \$464.7 million, and investments of \$282.0 million were made for the acquisition of non-financial assets. Compared to the prior fiscal year, social assistance spending moderated to \$52.8 million, as reliance on COVID-19 social support programs wane.





RECURRENT EXPENDITURE

Recurrent spending increased by \$18.9 million (0.6 percent) to \$3,061.8 million. Owing to the end of Emergency Orders and reduced reliance on COVID-19 support, social assistance benefits receded by \$67.6 million, subsidies tightened by \$31.2 million and other recurrent payments contracted by \$11.9 million. During the period, increased outlays primarily resulted from higher public debt interest payments (\$21.3 million), compensation of employees (\$68.0 million), and pension and gratuity payments (\$9.2 million).

FINANCING ACTIVITIES

Net financing totaled \$451.9 million, a \$439.9 million (49.3 percent) decrease in the net liability as compared to the \$891.9 million experienced in the prior fiscal year for the same period. Government's gross borrowing of \$2,989.0 million was 1.6 percent below the year earlier level and was primarily used to settle maturing debt which aggregated \$2,537.1 million—an annual increase of \$392.0 million (18.3 percent). In the domestic space, debt operations featured a net increase in securities issuances (\$186.4 million) and Central Bank advances (\$118.1 million), alongside a net repayment of bank loans (\$55.2 million). On the foreign currency side, there was a net inflow of \$272.2 million from the international development agencies in contrast to a \$301.9 million net repayment to foreign banks.

NATIONAL DEBT

National Debt is calculated by adding Government Debt together with Contingent Liabilities, which are monies owed by State Owned Enterprises that are guaranteed by the Government. The Central Bank of The Bahamas and the Debt Management Office in the Ministry of Finance reports on the National Debt every year.

National Debt: \$11,648.6 million (to June 2023)

www.centralbankbahamas.com

<https://bahamasbudget.gov.bs/debt/>

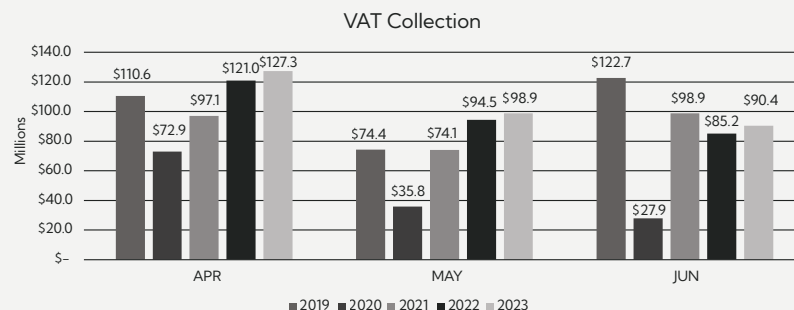
CAPITAL EXPENDITURE

Capital spending increased by \$43.6 million (15.4 percent) to \$327.4 million. During the fiscal year, additional investments were made on buildings other than dwellings (\$38.9 million) primarily for upgrades and maintenance of Government buildings and hospital and medical facilities, along with construction of schools. Key declines in capital outlays were owing to reduced spend on capital transfers (\$13.4 million) that were inflated in the prior year due to COVID-19 support for businesses.

CHANGES IN GOVERNMENT DEBT

Government Debt is money owed directly by the Government. It is also referred to as the Direct Charge on Government. These financials are reported by the Government by fiscal year. Given the developments in net borrowing, the Direct Charge at end-June 2023 totaled \$11,260.1 million or 82.0 percent of GDP, as compared to 87.3 percent of GDP at end-June 2022.

GOVERNMENT DEBT			
			% GDP
END-JUNE 2022	10,792.8	million	87.3%
END-JUNE 2023	11,260.1	million	82.0%
MONEY BORROWED			
B\$	2,301.7	million	
NON B\$	687.3	million	
MONEY REPAID			
TOTAL (\$)	2,537.1	million	
NATIONAL DEBT			
AS OF JUNE 2023	11,648.6	million	



SUMMARY OF COVID-19 RELATED EXPENSES (B\$M)

	FY2019/20	FY2021/22p	FY2022/23	Total	
	Mar - June	July - June	July - June	July - June	
Recurrent Expenditure	39.2	268.5	96.6	7.6	411.9
Public Health Safety	1.9	36.6	14.8	3.6	56.9
Unemployment Assistance	10.0	164.7	62.3	0.0	237.0
Goods & Services Acquisition	1.8	2.2	2.7	1.6	8.3
Job Retention Programs	21.4	23.0	6.4	0.0	50.8
Food Assistance	2.0	40.4	7.8	0.0	50.2
Other	2.1	1.5	2.6	2.4	8.6
Capital Expenditure	40.3	4.7	5.7	4.7	55.4
Public Health Safety	0.4	0.0	0.0	0.0	0.4
Goods & Services Acquisition	0.6	0.1	0.0	0.0	0.7
COVID-19 Unit	0.3	0.5	0.0	0.0	0.8
Small Business Loans	39.0	4.1	5.7	4.7	53.5
Total	79.5	273.3	102.3	12.3	467.3