



COMMONWEALTH OF THE BAHAMAS

THE MINISTRY OF FINANCE

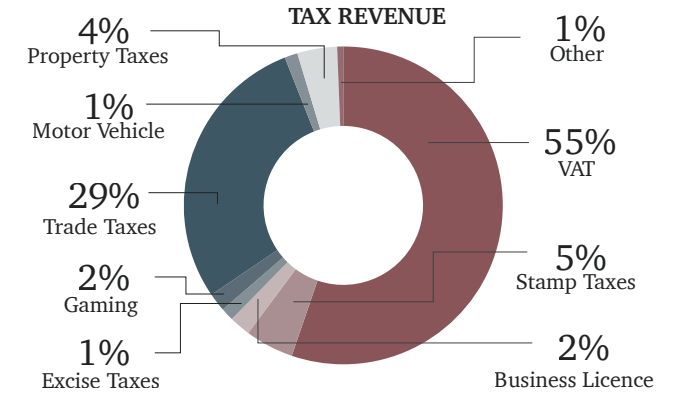
SIX MONTHS FY2023/24

FISCAL SNAPSHOT

RELEASED APRIL 2024

REVENUE

Revenue collection for the first six months of FY2023/2024 totaled \$1,302.1 million, surpassing the prior year collections by \$43.9 million (3.5 percent). During the period, Value Added Tax totaled \$646.0 million, taxes on international trade and transactions amounted to \$333.6 million, stamp taxes on financial and realty transactions totaled \$55.5 million, property tax collections were \$47.3 million, and non-tax revenues equated \$132.7 million.

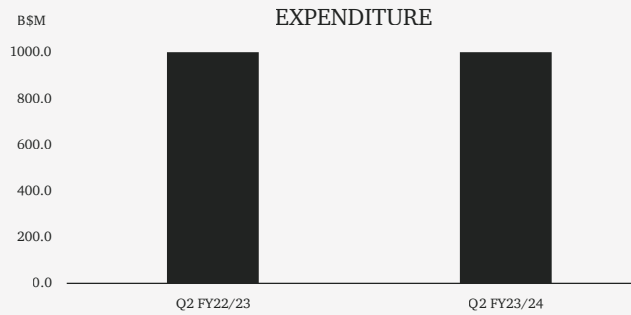
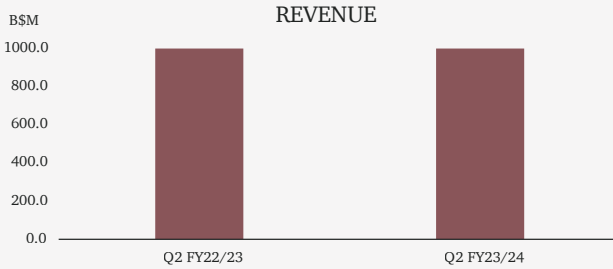
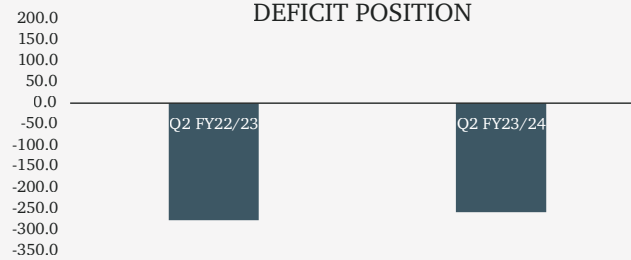


ECONOMIC OUTLOOK

In the first half of FY2023/24, the Bahamian economy continued to benefit from a strong tourism-led growth trajectory, despite the divergences in global economic performance and accompanying challenges posed by inflation and monetary policy tightening. Gains in the tourism sector were evidenced by the 16.5 percent increase in visitor arrivals to 4.6 million, which supported improvements in domestic demand and revenue performance.

FISCAL BALANCE

Central Government's operations for the first six months of FY2023/24 shows a decrease of the fiscal deficit to \$258.7 million from \$277.8 million in the year prior, for the same period. This outcome is largely due to the growth in revenue receipts led by sustained improvement in the tourism sector.



EXPENDITURE

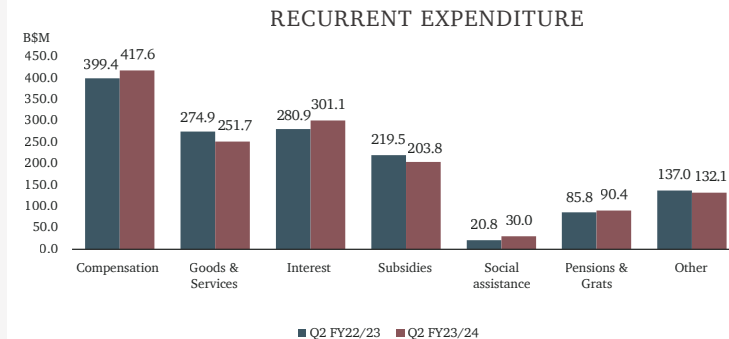
Aggregate expenditure increased by \$24.7 million (1.6 percent) to \$1,560.8 million, accounting for 45.2 percent of the total budget target. During the period, compensation of employees totaled \$417.6 million, public debt interest payments amounted to \$301.1 million, \$203.8 million in subsidies were provided, and investments of \$116.5 million were made for the acquisition of non-financial assets.

TAX REVENUE PERFORMANCE

Tax collections rose \$72.9 million, a 6.6 percent increase to \$1,169.4 million, representing 40.1 percent of the budget target. Year-over-year improvements were noted for Value Added Tax (\$47.2 million), departure tax (\$13.3 million), and excise tax (\$14.3 million).

NON-TAX REVENUE SUMMARY

Non-tax revenue performance lagged by \$27.9 million (17.4 percent) to \$132.7 million relative to the same period of the prior fiscal year. Notably, there were declines of \$24.9 million in miscellaneous and unidentified revenue, and \$17.1 million in property income.



RECURRENT EXPENDITURE

Recurrent expenditure increased by \$8.5 million (0.6 percent) to \$1,426.8 million during the first six months of FY2023/2024. Increased outlays during the period resulted from higher public debt interest payments (\$20.2 million), social assistance benefits (\$9.2 million), and spending on the compensation of employees (\$18.2 million). However, spending was lower during the period on the use of goods and services (\$23.2 million) and subsidies (\$15.6 million).

FINANCING ACTIVITIES

The Government experienced a net deficit of \$258.7 million, which represented a decrease of \$19.1 million relative to the prior comparable period. As such, net financing totaled \$156.9 million, a \$65.5 million (29.5 percent) decrease in the net liability as compared to the prior fiscal year.

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-December 2023 totaled \$11,428.0 million or 81.7 percent of GDP, as compared to 82.6 percent of GDP at end-June 2023.

GOVERNMENT DEBT		% GDP
END-JUNE 2023	11,260.0 million	82.6%
END-DECEMBER 2023	11,428.0 million	81.7%

MONEY BORROWED	
B\$	1,451.1 million
NON B\$	496.4 million

MONEY REPAID	
TOTAL (\$)	1,790.7 million

NATIONAL DEBT	
AS OF DECEMBER 2023	11,778.9 million

CAPITAL EXPENDITURE

Capital spending increased by \$16.2 million to \$134.1 million, representing 36.8 percent of the budget target. During the period, spending was higher primarily for other structures (\$15.5 million), which comprised Family Island development, roadworks, and Sports Center development.

MONEY BORROWED:

Government utilized gross borrowings of \$1,947.5 million as compared to \$1,020.6 million in the prior fiscal year to satisfy budgetary financing requirements and to settle maturing debt instruments. Domestic bond issuances totaled \$518.6 million; treasury bills and notes advanced totaled \$243.4 million; Central Bank advances totaled \$689.1 million; and foreign currency borrowing totaled \$496.4 million.

MONEY REPAID:

Repayments of Government debt increased to \$1,790.7 million compared to \$798.1 million in the same period of the prior year. Repayment included: \$77.2 million to international development agencies, \$414.5 million to foreign commercial banks, \$820.2 million for Central Bank advances, \$357.5 million for Bahamas Government registered stock, \$49.0 million for Treasury bills, and \$72.3 million for domestic bank loans.

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: \$11,778.9 million (to December 2023)

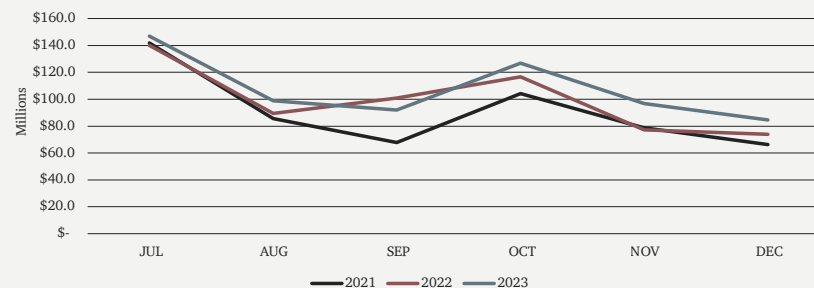
www.centralbankbahamas.com

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

POLICY INITIATIVES

For the first six months of FY2023/24, VAT receipts grew, period-over-period, by 7.9 percent to \$646.0 million and by 18.6 percent when compared to the \$544.5 million intake for FY2021/22.

MONTHLY VAT COLLECTIONS BY YEAR



SUMMARY OF COVID-19 RELATED EXPENSES (B\$M)						
	FY2019/20	FY2020/21p	FY2021/22p	FY2022/23	FY2023/24	Total
	Mar - June	July - June	July - June	July - June	July - Dec	
Recurrent Expenditure	39.2	268.5	96.6	7.6	0.5	412.4
Public Health Safety	1.9	36.6	14.8	3.6	0.0	56.9
Unemployment Assistance	10	164.7	62.3	0.0	0.0	237.0
Goods & Services Acquisition	1.8	2.2	2.7	1.6	0.3	8.6
Job Retention Programs	21.4	23	6.4	0.0	0.0	50.8
Food Assistance	2	40.4	7.8	0.0	0.0	50.2
Other	2.1	1.5	2.6	2.4	0.3	8.9
Capital Expenditure	40.3	4.7	5.7	4.7	0.5	55.9
Public Health Safety	0.4	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	4.1	5.7	4.7	0.5	54.0
Total	79.5	273.3	102.3	12.3	1.0	468.3