



COMMONWEALTH OF THE BAHAMAS

THE MINISTRY OF FINANCE

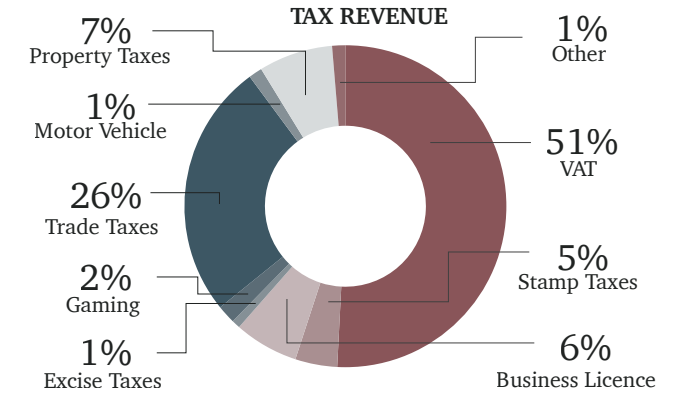
NINE MONTHS FY2023/24

FISCAL SNAPSHOT

RELEASED JULY 2024

REVENUE

Total revenue settled at \$2,191.5 million—an appreciable year-over-year gain of \$112.4 million (5.4 percent), which equated to an improved 66.0 percent of the budget. The \$136.9 million (7.5 percent) hike in tax receipts was mainly derived from the Value Added Tax, business license, and excise tax categories. Non-tax revenue declined by 23.2 million (9.0 percent) to \$235.4 million and was primarily linked to timing differences in receipt of property income.

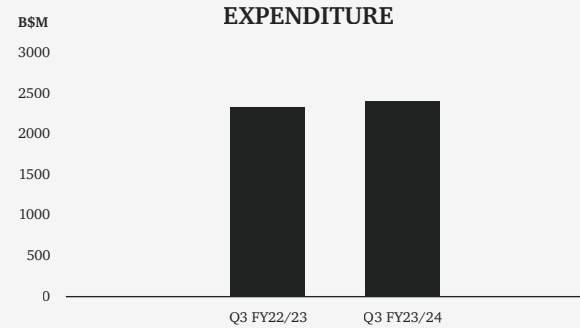
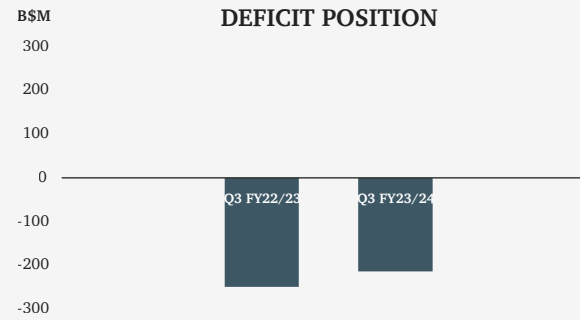


ECONOMIC OUTLOOK

Over the nine months to March of FY2023/24, the Bahamian economy maintained a steady growth path, notwithstanding a global landscape that continues to grapple with headwinds posed by the persistence of inflation and geopolitical tensions. Tourism, the key driver of domestic economic activity, posted a 15.7 percent hike in visitor arrivals to 7.6 million, which provided a positive impulse to domestic demand, employment and government revenue outcomes.

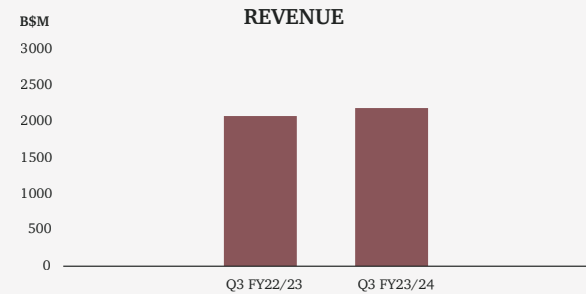
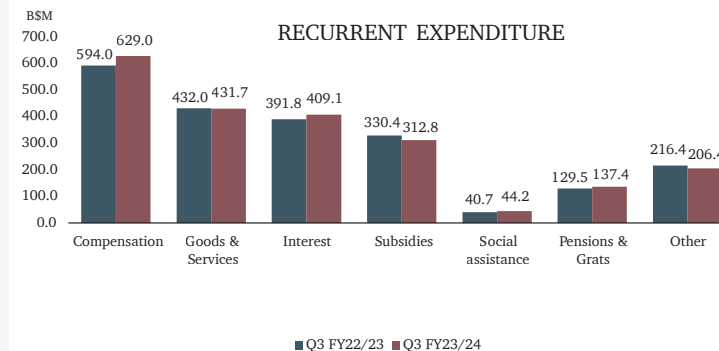
FISCAL BALANCE

Central Government's operations for the nine months to March 2024 indicated a contraction of the fiscal deficit to \$214.2 million from \$249.7 million posted in the same period the year prior. Enhanced tax collection processes and positive economic factors supported this outcome.



EXPENDITURE

Aggregate expenditure during the three quarters of FY2023/2024 fiscal year equaled \$2,405.6 million representing an increase of \$76.9 million (3.3 percent), fulfilling 69.7 percent of the allotted budget target. Compensation of employees incurred \$629.0 million, spending on the use of goods and services totaled \$431.7 million, public debt interest payments were \$409.1 million, \$312.8 million in subsidies were provided, and investments of \$194.3 million were made for the acquisition of non-financial assets.



TAX REVENUE PERFORMANCE

Tax receipts improved by \$136.9 million, a 7.5 percent increase to \$1,956.1 million, indicating 67.0 percent of the budget target. Notable developments included Value Added Tax (\$58.5 million), departure tax (\$7.2 million), and excise tax (\$15.0 million).

NON-TAX REVENUE SUMMARY

Non-tax revenue performance decreased by \$23.2 million (9.0 percent) to \$235.4 million relative to the same period of the prior fiscal year. Notably, there were declines of \$5.9 million in property income, \$25.6 million in miscellaneous and unidentified revenue, and \$13.9 million in reimbursements and repayments.



RECURRENT EXPENDITURE

Recurrent expenditure increased by \$35.9 million (1.7 percent) to \$2,170.7 million during the nine months to March in FY2023/2024. Increased outlays during the period resulted from higher public debt interest payments (\$17.3 million), social assistance benefits (\$3.5 million), and spending on the compensation of employees (\$35.0 million). However, spending during the period was lower for the use of goods and services (\$0.3 million), insurance premiums (\$7.3 million), and subsidies (\$17.6 million).

FINANCING ACTIVITIES

As a result of the revenue and expenditure performance, the deficit on the Government's overall operations was lower by \$35.5 million at \$214.2 million. Correspondingly, liabilities increased by \$257.2 million—although \$33.6 million below comparative period of the prior year and was predominantly in Bahamian Dollars.

CHANGES IN GOVERNMENT DEBT

Government Debt, money owed directly by the Government, is described in this report as the Direct Charge on Government. Due to developments in net borrowing during the fiscal year at end-March 2024, the Direct Charge inclusive of exchange rate adjustments increased by \$257.2 million to an estimated \$11,514.9 million, or 79.9 percent of GDP.

GOVERNMENT DEBT		% GDP
END-JUNE 2023	11,260.0 million	80.3%
END-MARCH 2024	11,514.9 million	79.9%
MONEY BORROWED		
B\$	2,059.9 million	
NON B\$	1,046.4 million	
MONEY REPAID		
TOTAL (\$)	2,849.1 million	
NATIONAL DEBT		
AS OF MARCH 2024	11,848.9 million	

CAPITAL EXPENDITURE

Capital outlays grew by \$41.0 million to \$235.0 million, representing 64.4 percent of the budget target. During the period, spending was higher primarily for capital transfers (\$14.1 million) and the acquisition of non-financial assets (\$26.9 million), which comprised airport development, Family Island development, and sporting infrastructure.

BAHAMIAN LIABILITIES

The \$122.5 million net increase in Bahamian Dollar liabilities included net issuances of government domestic securities aggregating to \$356.0 million. Loans to commercial banks and advances from the Central Bank were reduced by \$102.4 million and \$131.1 million, respectively.

FOREIGN CURRENCY LIABILITIES:

The \$134.7 million increase in foreign currency liabilities featured net borrowings from banks of \$487.2 million, which offset the US\$300 million international bond redemption and the reduction in liabilities to international development agencies (\$52.5 million).

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

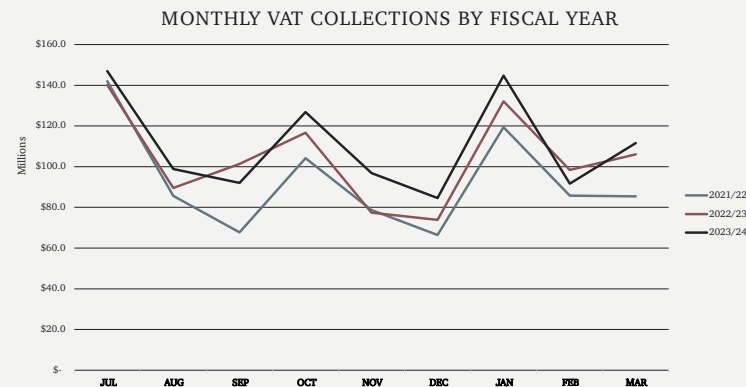
National Debt: \$11,848.9 million (to March 2024)

www.centralbankbahamas.com

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

POLICY INITIATIVES

For the nine months of FY2023/24, VAT receipts grew, year-over-year, by 6.3 percent to \$993.9 million and by 19.0 percent when compared to the \$835.1 million intake for FY2021/22.



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 - Mar	
Recurrent Expenditure	39.2	268.5	96.6	7.6	2.2	414.4
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	1.9	10.2
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	2.7	470.0