



Ministry of
Finance

PRESS RELEASE

S&P Global Ratings Affirms The Bahamas' B+ Sovereign Credit Rating
The Outlook Remains Stable as Government Executes its Fiscal Strategy

Source: Ministry of Finance, The Bahamas
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On November 22, 2022, S&P Global Ratings affirmed its 'B+' long-term foreign and local currency sovereign credit ratings on the Commonwealth of The Bahamas. The outlook remains stable.

The basis of the rating is the improvement in the Bahamian economy driven by growth in tourism. S&P advises that higher government revenues and lower social spending has led to lower deficits and slowing in the growth of government debt. S&P expects this to continue into 2024.

The government remains committed to putting the country on a sustainable path to fiscal consolidation. Performance in the past fiscal year, 2022, and in the first quarter of this fiscal year, 2023, provides ample evidence of this. Fiscal 2022 saw deficits fall to 6% of GDP from 13.7% of GDP in fiscal 2021, and Q1 of 2023 saw the narrowing of the fiscal deficit to \$20.6 million, a \$115.8 million decrease from the deficit of \$136.4 million experienced in the year prior. The market has taken note of these improvements and has rewarded the country with improving bond yields.

The Ministry continues to work assiduously to execute on its borrowing plan to mitigate against the impact of elevated external costs. The plan has identified the local market and multi-laterals as major sources of financing during this period. This, in combination with lower gross financing needs, has eliminated the need to go to the overseas bond markets in the near to medium term and therefore serves to reduce the need for foreign exchange to service debt.

We continue to believe that as we execute the strategy outlined in our fiscal strategy report and our borrowing plan, there will be improvements in debt affordability and fiscal consolidation which will put upward pressure on our ratings.

The public is encouraged to visit the national Budget Website (www.bahamasbudget.gov.bs) to view all fiscal reports.

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