



Ministry of
Finance

PRESS RELEASE

Ministry of Finance Releases FY2022/23 Annual Borrowing Plan Approximately 57% of Funding to be Sourced in Local Currency

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In accordance with section 13 of the Public Debt Management Act, 2021 (PDMA), the Minister of Finance is responsible for ensuring the preparation of the Annual Borrowing Plan (ABP) within fourteen (14) calendar days after the approval of the annual budget by Parliament. As Parliament approved the FY2022/23 budget on June 23, 2022, the deadline for production/publication of the FY2022/23 ABP is July 7, 2022.

The ABP constitutes a key deliverable within the government's debt management arrangements—reinforcing its commitment to fiscal accountability and promoting transparency and borrowing predictability in debt operations.

The FY2022/23 ABP operationalizes the government's annual strategy for debt operations to support sound fiscal management. It is framed within the context of the public debt management objectives, i.e., providing the government's borrowing needs at the lowest cost, while maintaining prudent levels of risk, and contributing to a well-functioning government domestic securities market.

The FY2022/23 approved budget established the gross financing needs of the government at an estimated \$1,760.8 million—as incorporated in the Borrowing Resolution dated June 16, 2022. This includes fundraising to close the budgetary gap of \$564.0 million—and by which the government's outstanding debt obligations are to increase, and to refinance an estimated \$1,196.8 million in maturing debt securities and loans.

A key point to note is that the budgeted fiscal outcome excludes the prospective sale of the Lucayan Resort properties, at an estimated price of \$100 million, which would positively impact the government's cash flow position and correspondingly reduce borrowing requirements.

The government will seek to pursue a prudent mix of domestic and foreign currency borrowings that would secure progress towards the optimal debt strategy selected for the FY2022-/23 – FY2024/25 Medium Term Debt Strategy (MTDS).

In summary, of the \$1,760.8 million in gross financing requirements, approximately \$996.1 million (56.6 percent) is to be sourced in Bahamian Dollars and the remaining \$764.7 million (43.4 percent) in foreign currency. However, the government will continue to monitor domestic market conditions and investor sentiment, to capitalize on opportunities for achieving a greater proportion of the financing from domestic sources. Within the Bahamian Dollar funding envelope, approximately \$776.1 million is expected to be sourced from government bond and Treasury bill issuances, with the remaining \$220.0 million from commercial and other domestic loan facilities. Prospective recourse to foreign currency borrowings will leverage policy-linked loan facilities from the International Financial Institutions (IFIs) and, to a lesser extent, commercial loans.

The Ministry invites and encourages the public to visit the national Budget Website (www.bahamasbudget.gov.bs) to view the various statistical reports available to the public.

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