



Ministry of
Finance

PRESS RELEASE

FY2025/26 to FY2027/28 Medium Term Debt Management Strategy

Source: Ministry of Finance, The Bahamas
Date: March 13, 2025
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In fulfillment of reporting requirements under the Public Debt Management Act, 2021, the Ministry of Finance is pleased to release the FY2025/26 to FY2027/28 Medium-term Debt Management Strategy (the “MTDS”). The MTDS is intended to guide the government’s borrowing decisions to fund its overall financing needs, at the lowest cost consistent with a reasonable degree of risk, while promoting the development of the domestic debt market.

In determining the optimal debt management strategy, the analysis considers the costs and risks embedded in the current debt portfolio, medium-term borrowing requirements, the government’s fiscal policy and strategy, the prevailing macroeconomic environment, market conditions and other relevant factors.

Three (3) alternative financing options were evaluated in terms of their cost risk profiles and subjected to various stress scenarios to determine their effectiveness in meeting the government’s debt management objectives. The selected strategy seeks to maximize use of domestic sources of financing to mitigate foreign currency risk and promote the development of the domestic capital market. Other features characterizing the optimal strategy include its use of more fixed rate instruments, extended maturities, and liability management operations to manage refinancing risk, lengthen the average time to maturity of the portfolio, and control interest rate risk, while balancing costs. The financing mix suggests gross external and domestic borrowings in the ratio of 20 percent and 80 percent, respectively.

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

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