



Ministry of
Finance

PRESS RELEASE

Government Fiscal Rebound Continues to Widen

Q4 FY2022/23 Revenue Receipts up \$246.5 Million over Prior Year

Source: Ministry of Finance, The Bahamas
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During fiscal year 2022/23, the Bahamian economy continued to record a strong tourism-led expansion, despite the persistence of global inflationary pressures arising from ongoing geopolitical tensions which invoked a bias towards stricter monetary policies among the advanced nations.

Revenue collection for the FY2022/2023 are estimated at \$2,855.8 million, surpassing the prior year collections by \$246.5 million (9.4 percent). Key improvements in tax revenue were noted for Value Added Tax (\$116.2 million), departure tax (\$87.3 million), excise duties (\$75.9 million), property tax (\$14.5 million), and licenses for specialized business (\$28.5 million). Non-tax revenue performance lagged by \$66.4 million (14.9 percent) to \$380.4 million, owing to declines of \$35.8 million in miscellaneous and unidentified revenue and \$18.2 million in property income.

Aggregate expenditure increased by \$62.5 million (1.9 percent) to \$3,389.2 million, accounting for 98.7 percent of the total budget target. In recurrent expenditure developments, due to reduced reliance on COVID-19 support, social assistance benefits receded by \$67.6 million, subsidies tightened by \$31.2 million and other recurrent payments contracted by \$11.9 million. Conversely, increased outlays primarily resulted from higher public debt interest payments (\$21.3 million), compensation of employees (\$68.0 million), and pension and gratuity payments (\$9.2 million).

Capital spending increased by \$43.6 million (15.4 percent) to \$327.4 million, representing 91.2 percent of the budget target. Additional investments were made on buildings other than dwellings (\$38.9 million), primarily for upgrades and maintenance of Government buildings and hospital and medical facilities, along with construction of schools. However, key declines in capital outlays were owing to reduced spend on capital transfers (\$13.4 million) that were inflated in the period year due to COVID-19 support for businesses.

As such, Central Government's operations for the FY2022/2023 indicate a decrease of the fiscal deficit to \$533.4 million, a \$184.0 million decrease from the deficit of \$717.4 million experienced in the year prior. The Direct Charge at end-June 2023 totaled \$11,260.1 million or 82.0 percent of GDP, as compared to 87.3 percent of GDP at end-June 2022.

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

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