



Ministry of
Finance

PRESS RELEASE

Strong Revenue Performance Support Fiscal Consolidation

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The Ministry of Finance is pleased to release its quarterly report on the Government's fiscal operations for the first six months of FY2025/2026, as mandated by the Public Finance Management Act, 2023.

The government's overall fiscal performance for the second quarter of FY2025/26 benefitted from an improvement in revenue performance, when compared with the comparative period in the prior year.

Tax revenue expanded, year-over-year, by \$54.4 million (4.2 percent) to \$1,345.9 million, for 39.1 percent of the budget. Improved economic conditions, alongside strengthened tax administration measures, supported gains in Value Added Tax collections (\$76.1 million), Taxes on Use and Permission to Use Goods (\$4.5 million) and Specific Gaming Taxes (\$1.3 million). In a significant offset, taxes on international trade and transactions declined by \$18.4 million

Growth in non-tax revenue of \$11.4 million (7.6 percent) to \$160.7 million was largely attributed to a \$14.4 million upturn in receipts from the sale of goods and services.

Aggregate expenditure increased by \$41.3 million (2.3 percent) to \$1,850.0 million (48.4 percent of the budget), with the recurrent and capital components at \$1,658.3 million and \$191.7 million, respectively. The \$42.2 million rise in recurrent expenditure was mainly attributed to higher spending for compensation of employees (\$21.0 million), other payments (\$19.9 million) and subsidies (\$10.2 million). Capital expenditure decreased by \$0.9 million (0.5 percent) to \$191.7 million, 51.0 percent of the budget. Higher capital transfers of \$5.8 million (22.3 percent) were offset by a \$6.7 million (4.0 percent) decrease in outlays for acquisition of non-financial assets.

As a result of these developments, the fiscal deficit for the second quarter narrowed by \$25.3 million (6.9 percent) to \$342.4 million, equivalent to an estimated 2.1 percent of GDP.

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

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